



CAYMAN ISLANDS LEGISLATIVE ASSEMBLY

OFFICIAL HANSARD REPORT ELECTRONIC VERSION

1997 SESSION

7 March — 23 December 1997

(Includes Swearing-In Ceremony held 27 November 1996)

Hon. Mabry S. Kirkconnell, MBE, JP, Speaker

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Hon. James Montgomery Ryan, MBE, JP

First Official Member Responsible for Internal and External Affairs

Hon. Richard Haylock Coles

Second Official Member Responsible for Legal Administration

Hon. George Anthony McCarthy, OBE, JP

Third Official Member Responsible for Finance and Development

Hon. William McKeeva Bush, OBE, JP*

Minister Responsible for Community Development, Sports, Women's Affairs, Youth and Culture

Hon. Julianna O'Connor-Connolly**

Minister Responsible for Community Affairs, Sports, Women, Youth and Culture

Hon. Thomas Carroll Jefferson, OBE, JP

Minister Responsible for Tourism, Commerce and Transport

Hon. Anthony Samuel Eden, JP

Minister Responsible Health, Drug Abuse Prevention and Rehabilitation
(*Social Welfare added 7 November, 1997*)

Hon. Truman Murray Bodden, OBE, JP

Minister Responsible for Education, Aviation and Planning

Hon. John Bonwell McLean, OBE, JP

Minister Responsible for Agriculture, Environment, Communications and Works

ELECTED MEMBERS

Mr. William McKeeva Bush, OBE, JP*

First Elected Member for the Electoral District of West Bay

Mr. John Dwight Jefferson, Jr.

Third Elected Member for the Electoral District of West Bay

Mr. Dunstan Dalmain Ebanks

Fourth Elected Member for Electoral District of West Bay

Mr. Darwin Kurt Tibbetts

First Elected Member for the Electoral District of George Town

Mrs. Julianna O'Connor-Connolly **

First Elected Member for the Electoral District of Cayman Brac and Little Cayman

Capt. Mabry Salisbury Kirkconnell, MBE, JP, Speaker

Second Elected Member for the Electoral District of Cayman Brac and Little Cayman

Mr. Linford Ainsworth Pierson, JP

Third Elected Member for the Electoral District of George Town

Dr. Frank Swarres McField

Fourth Elected Member for the Electoral District of George Town

Miss Heather Diane Bodden

Second Elected Member for Bodden Town

Mr. Roy Bodden

Third Elected Member for Bodden Town

Mrs. Edna Marie Moyle, JP, Deputy Speaker

Elected Member for North Side

* Resigned from Executive Council 30 October, 1997

** Elected to Executive Council 6 November, 1997

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Abbreviations. *1r, 2r, 3r, first, second, third reading; (A), Amendment; CAL, Cayman Airways, Ltd.; CDB, Caribbean Development Bank; CPA, Central Planning Authority; (C), Committee; DOE, Department of Environment; DOT, Department of Tourism; GHHS, George Hicks High School; GM, Government Motion; GT, George Town; ICCI, International College of the Cayman Islands; JGHS, John Gray High School; PM, Private Member's Motion; (RBPS) Red Bay Primary School; (R), Report; S.O., Standing Order.*

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SWEARING IN CEREMONY
EDITED
WEDNESDAY
27TH NOVEMBER, 1996
10.10 A.M.

ARRIVAL OF
HIS EXCELLENCY THE GOVERNOR
MR. JOHN OWEN, MBE

His Excellency Mr. John Owen: Good morning. Please be seated.

I will now proceed with the administration of Oaths or Affirmations for Members of the Legislative Assembly. We shall begin with the Chief Secretary, the Hon. James M. Ryan, MBE, JP, First Official Member.

ADMINISTRATION OF OATHS
OR AFFIRMATIONS

MEMBERS OF THE LEGISLATIVE ASSEMBLY
Administered by His Excellency the Governor

OATH OF ALLEGIANCE
Hon. James M. Ryan, MBE, JP

Hon. James M. Ryan: I, James M. Ryan, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law. So help me God.

Clerk: Hon. Richard H. Coles, Second Official Member.

OATH OF AFFIRMATION
Hon. Richard H. Coles

Hon. Richard H. Coles: I, Richard Haylock Coles, solemnly and sincerely affirm and declare that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law. *(The Honourable Member actually read the Oath of Allegiance, but signed the Oath of Affirmation.)*

Clerk: Hon. George Anthony McCarthy, OBE, JP, Third Official Member.

OATH OF ALLEGIANCE
Hon. George A. McCarthy, OBE, JP

Hon. George A. McCarthy: I, George Anthony McCarthy, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law. So help me God.

Clerk: The Electoral District of West Bay. Mr. William McKeeva Bush, JP, First Elected Member.

OATH OF ALLEGIANCE
Mr. W. McKeeva Bush, JP

Mr. W. McKeeva Bush: I, William McKeeva Bush, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law. So help me God.

Clerk: Mr. Thomas Carroll Jefferson, OBE, JP, Second Elected Member.

OATH OF AFFIRMATION
Mr. Thomas C. Jefferson, OBE, JP

Mr. Thomas C. Jefferson: I, Thomas Carroll Jefferson, do solemnly and sincerely affirm and declare that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law.

Clerk: Mr. John Dwight Jefferson Jr., Third Elected Member.

OATH OF AFFIRMATION
Mr. John D. Jefferson, Jr

Mr. John D. Jefferson, Jr: I, John Dwight Jefferson, do solemnly and sincerely affirm and declare that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law.

Clerk: Mr. Dunstan Dalmain Ebanks, Fourth Elected Member.

OATH OF ALLEGIANCE
Mr. D. Dalmain Ebanks

Mr. D. Dalmain Ebanks: I, Dunstan Dalmain Ebanks, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law. So help me God.

Clerk: The Electoral District of George Town. Mr. Darwin Kurt Tibbetts, First Elected Member.

OATH OF ALLEGIANCE
Mr. D. Kurt Tibbetts

Mr. D. Kurt Tibbetts: I, Darwin Kurt Tibbetts, do swear that I will be faithful and bear true allegiance to Her

Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law. So help me God.

Clerk: Mr. Truman Murray Bodden, OBE, Second Elected Member.

**OATH OF ALLEGIANCE
Mr. Truman M. Bodden, OBE, JP**

Mr. Truman M. Bodden: I, Truman Murray Bodden, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law. So help me God.

Clerk: Mr. Linford A. Pierson, JP, Third Elected Member.

**OATH OF ALLEGIANCE
Mr. Linford A. Pierson, JP**

Mr. Linford A. Pierson: I, Linford Ainsworth Pierson, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law. So help me God.

Clerk: Dr. Frank S. McField, Fourth Elected Member.

**OATH OF ALLEGIANCE
Dr. Frank S. McField**

Dr. Frank S. McField: I, Dr. Frank S. McField, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law. So help me God.

Clerk: The Electoral District of Cayman Brac and Little Cayman. Mrs. Julianna O'Connor-Connolly, First Elected Member.

**OATH OF AFFIRMATION
Mrs. Julianna O'Connor-Connolly**

Mrs. Julianna O'Connor-Connolly: I, Julianna O'Connor-Connolly, do solemnly and sincerely affirm and declare that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law.

Clerk: Capt. Mabry Salisbury Kirkconnell, MBE, JP, Second Elected Member.

**OATH OF AFFIRMATION
Capt. Mabry S. Kirkconnell, MBE, JP**

Capt. Mabry S. Kirkconnell: I, Mabry Salisbury Kirkconnell, do solemnly and sincerely affirm and declare that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law.

Clerk: The Electoral District of Bodden Town. Mr. Anthony Samuel Eden, First Elected Member.

**OATH OF ALLEGIANCE
Mr. Anthony S. Eden, JP**

Mr. Anthony Eden: I, Anthony Samuel Eden, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her Heirs and Successors, according to Law. So help me God.

Clerk: Miss Heather Diane Bodden, Second Elected Member.

**OATH OF AFFIRMATION
Miss Heather D. Bodden**

Miss Heather D. Bodden: I, Heather Diane Bodden, do solemnly and sincerely affirm and declare that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law.

Clerk: Mr. Roy Bodden, Third Elected Member.

**OATH OF AFFIRMATION
Mr. Roy Bodden**

Mr. Roy Bodden: I, Roy Bodden, do solemnly and sincerely affirm and declare that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law.

Clerk: The Electoral District of North Side. Mrs. Edna Marie Moyle, JP.

**OATH OF ALLEGIANCE
Mrs. Edna M. Moyle, JP**

Mrs. Edna M. Moyle: I, Edna Marie Moyle, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law. So help me God.

Clerk: The Electoral District of East End. Mr. John Bonwell McLean, OBE, JP.

**OATH OF ALLEGIANCE
Mr. John B. McLean, OBE, JP**

Mr. John B. McLean: I, John Bonwell McLean, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law. So help me God.

STATEMENT BY HIS EXCELLENCY THE GOVERNOR

His Excellency Mr. John Owen: That marks the end of the administration of Oaths and Affirmations to the newly elected representatives.

Before I leave, I want to refer briefly to the electoral process, the voters and the new Members of the Legislative Assembly.

The election process, from start to finish, ran smoothly and efficiently. This does not happen by chance; this is a direct result of months of hard work by the Supervisor of Elections and his staff. I congratulate him and his team of dedicated volunteers for ensuring that candidates and voters have full confidence in the integrity of Cayman's electoral process.

I want to particularly congratulate the people of the Cayman Islands, the voters of the Cayman Islands, for the high turnout at the polls of over 85%. You are an example to the world of a people who understand the importance of exercising your democratic right to vote.

Finally, to the Elected Representatives, congratulations on your success. The voters have placed a special trust and confidence in each one of you. This puts a heavy responsibility on your shoulders. Not only for those who voted for you, but for all of the people of these islands, serve them well. God bless you all. Thank you.

DEPARTURE OF HIS EXCELLENCY THE GOVERNOR

*Serjeant-at-Arms
His Excellency the Governor
ADC
Chief Justice*

Clerk: I invite the Reverend Harris Spence to say prayers.

PRAYERS

Rev. Harris Spence: 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, 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 Official Members and Ministers of Executive Council and Members of the Legislative Assembly that they may be enabled faithfully to perform the responsible duties of their high office. All this we ask for Thy Great Name's sake.

Together let us pray the Lord's Prayer.

Our Father, who art in Heaven, Hallowed be Thy Name, Thy Kingdom come, Thy will be done, on earth as it is in Heaven. Give us this day our daily bread; and forgive us our trespasses, as we forgive 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 to 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.

PROCLAMATION NO. 48 OF 1996 SUMMONING A MEETING OF THE LEGISLATIVE ASSEMBLY

**BY HIS EXCELLENCY, MR. JOHN OWEN, MBE
GOVERNOR OF THE CAYMAN ISLANDS**

Clerk: "WHEREAS Section 46 (1) of the Constitution of the Cayman Islands provides that the sessions of the Legislative Assembly of the Cayman Islands shall be held at such places and begin at such times as the Governor may from time to time by Proclamation appoint.

"NOW, THEREFORE, I, the Governor, by virtue of the power conferred upon me by section 46 (1) of the Constitution of the Cayman Islands, hereby proclaim that a session of the Legislative Assembly of the Cayman Islands shall be held at the Legislative Assembly Building in George Town, on the island of Grand Cayman, beginning at 10.00 AM on Wednesday 27th November, 1996.

"GIVEN under my hand and the public seal of the Cayman Islands, in the island of Grand Cayman, at George Town, this 22nd day of November, in the Year of our Lord, One Thousand Nine Hundred and Ninety-Six, in the Forty-fifth Year of the Reign of Her Majesty Queen Elizabeth II.

"God save the Queen."

NOMINATION OF THE LONGEST CONTINUOUS SERVING MEMBER OF THE LEGISLATIVE ASSEMBLY TO PRESIDE OVER THE ELECTION OF THE SPEAKER

Mr. Truman M. Bodden: Honourable Members, I nominate Mr. John McLean, the longest continuous serving Member of this Legislative Assembly to preside over the election of Speaker.

Mrs. Edna M. Moyle: I second that motion.

Clerk: Mr. McLean, please take a seat at the Clerk's Table.

[Mr. John B. McLean, Father of the House, in the Chair]

**NOMINATIONS FOR THE ELECTION OF THE
SPEAKER OF THE LEGISLATIVE ASSEMBLY
(Capt. Mabry S. Kirkconnell, MBE, JP)**

The Chairman: Good morning, and welcome.

The Honourable House now being in session, I now call for the nomination of Speaker.

Mrs. Julianna O'Connor-Connolly: Mr. Chairman, it gives me great pleasure to nominate my colleague from the Electoral District of Cayman Brac and Little Cayman, Capt. Mabry Kirkconnell, for the high office of Speaker of this Honourable House. May it please you.

Hon. Truman M. Boddan: Mr. Chairman, I second that nomination.

The Chairman: A motion has been moved and duly seconded. The floor is open.

(Pause) If there are no further nominations, it gives me great pleasure to welcome Capt. Mabry Kirkconnell to be the Speaker of the Legislative Assembly of the Cayman Islands.

[Hon. Mabry S. Kirkconnell, MBE, JP, Speaker, in the Chair]

The Speaker: Please be seated.

We shall proceed with the next Order of Business, the nomination of Deputy Speaker. The floor is now open for nominations.

**NOMINATIONS FOR THE ELECTION
OF DEPUTY SPEAKER
(Mrs. Edna M. Moyle, JP)**

Mr. Thomas C. Jefferson: Mr. Speaker, it is my pleasure to nominate Mrs. Edna Moyle as Deputy Speaker.

Miss Heather D. Boddan: Mr. Speaker, I second the Motion.

The Speaker: Are there any other nominations?

(Pause) If there are no other nominations, I declare Mrs. Edna Moyle elected as Deputy Speaker. I invite her to rise and be recognised.

**NOMINATION AND ELECTION OF FIVE MINISTERS
TO EXECUTIVE COUNCIL**

The Speaker: The next item on our Order Paper is the Election of five Ministers to Executive Council. The

procedure for this item is laid down under section 5 of the Constitution and under Standing Order 5 of the Orders of this House which govern the proceedings. The Chair proposes, subject to there being no objections, for Members to appoint the First Official Member and the Third Official Member as scrutineers if a ballot is required.

I now put the question that the Honourable First and Third Official Members be appointed scrutineers for the election. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it. The Honourable First and Third Official Members are appointed scrutineers for the election.

**AGREED: THE HONOURABLE FIRST AND THIRD
OFFICIAL MEMBERS APPOINTED SCRUTINEERS
FOR THE BALLOT COUNT.**

The Speaker: Before I call for nominations to the Executive Council, I crave the indulgence of members of the public gallery.

I am aware that the general Election, the outcome of which we witnessed on the 20th and 21st of this month, is being eagerly celebrated. The results of this election are also eagerly awaited. But I must ask that everyone refrain from any comments, sounds or other expressions of jubilation or disappointment.

This is a very serious matter, and the process can be more fluid if members of the general public desist from any manner of audible expression. I can assure you that at the appropriate time an opportunity will be given for you to manifest your agreement.

I shall now call for nominations to the Executive Council by voice. Each nomination will require a mover and a seconder. I should say at this time that the names of Honourable Members will be used rather than districts. Members are aware that normally in this Honourable House you are referred to by districts, i.e., the First Elected Member for George Town, or Second or Third; but on this occasion, for clarity, we will refer to Members by name. This will avoid any misunderstanding by the general public.

We are now open for Nominations to the Executive Council.

Mr. Roy Boddan: Mr. Speaker, I respectfully nominate Mr. Linford A. Pierson.

The Speaker: Mr. Linford A. Pierson has been nominated. Is there a seconder for that?

Mr. D. Kurt Tibbetts: I beg to second that, Mr. Speaker.

The Speaker: Mr. Linford Pierson.

Mr. Linford A. Pierson: I respectfully beg to nominate Mr. Kurt Tibbetts.

The Speaker: Mr. Kurt Tibbetts has been nominated. Is there a seconder? Mr. Roy Bodden.

Mr. Roy Bodden: I beg to second that.

The Speaker: That nomination has been seconded. Mrs. Edna Moyle.

Mrs. Edna M. Moyle: I beg to nominate Mr. McKeeva Bush.

The Speaker: Mr. McKeeva Bush has been nominated. Is there a seconder? Mr. Dalmain Ebanks.

Mr. D. Dalmain Ebanks: I beg to second that nomination.

Miss Heather D. Bodden: Mr. Speaker, I beg to nominate Mr. Anthony Eden.

The Speaker: Mr. Anthony Eden has been nominated. Is there a seconder? Mr. Bush.

Mr. W. McKeeva Bush: I beg to second that nomination.

The Speaker: Mr. Kurt Tibbetts.

Mr. D. Kurt Tibbetts: I beg to nominate Mr. Roy Bodden.

The Speaker: Mr. Roy Bodden has been nominated. Is there a seconder? Mr. Pierson.

Mr. Linford A. Pierson: Mr. Speaker, I beg to second that nomination.

The Speaker: Mr. John D. Jefferson, Jr.

Mr. John D. Jefferson, Jr: I beg to move the nomination of Mr. Thomas Jefferson.

The Speaker: Mr. Thomas Jefferson has been nominated, do we have a seconder? Mr. John McLean.

Mr. John B. McLean: Mr. Speaker, I beg to second that.

The Speaker: Mr. Anthony Eden.

Mr. Anthony Eden: I beg to nominate Mr. John McLean.

The Speaker: Mr. John McLean has been nominated, do we have a seconder? Mr. Truman Bodden.

Mr. Truman M. Bodden: I beg to second that.

The Speaker: Mr. John McLean.

Mr. John B. McLean: I respectfully nominate Mr. Truman Bodden.

The Speaker: Mr. Truman Bodden has been nominated, do we have a seconder? Mr. Thomas Jefferson.

Mr. Thomas C. Jefferson: I am pleased to second that motion.

The Speaker: Mr. Kurt Tibbetts.

Mr. D. Kurt Tibbetts: I beg to nominate Mrs. Julianna O'Connor-Connolly.

The Speaker: Mrs. Julianna O'Connor-Connolly has been nominated.

Mr. Roy Bodden: Mr. Speaker, I beg to second that.

The Speaker: Are there any other nominations?

Nine Members have been nominated. I shall call each Member individually at this time, and ask if they will accept or decline the nomination.

Mr. Roy Bodden, will you accept the nomination?

Mr. Roy Bodden: Yes, Mr. Speaker. I graciously accept.

The Speaker: Mr. Linford Pierson, will you accept the nomination?

Mr. Linford A. Pierson: Yes, Mr. Speaker, I am pleased to accept the nomination.

The Speaker: Mr. McKeeva Bush, will you accept the nomination?

Mr. W. McKeeva Bush: Mr. Speaker, I humbly accept the nomination.

The Speaker: Mr. Kurt Tibbetts, will you accept the nomination?

Mr. D. Kurt Tibbetts: Yes, Mr. Speaker, I accept the nomination.

The Speaker: Mr. Anthony Eden, will you accept the nomination?

Mr. Anthony Eden: Yes, Mr. Speaker.

The Speaker: Mr. Thomas Jefferson, will you accept the nomination?

Mr. Thomas C. Jefferson: I am pleased to accept the nomination.

The Speaker: Mr. John McLean, will you accept the nomination?

Mr. John B. McLean: Most certainly, Mr. Speaker.

The Speaker: Mr. Truman Bodden, will you accept the nomination?

Mr. Truman M. Bodden: Yes, Mr. Speaker, I humbly accept.

The Speaker: Mrs. Julianna O'Connor-Connolly, will you accept the nomination?

Mrs. Julianna O'Connor-Connolly: Yes, Mr. Speaker, I humbly accept.

The Speaker: Thank you.

At this time we will suspend for a few minutes while the Clerk prepares the ballot papers.

PROCEEDINGS SUSPENDED AT 10.50 AM

(Preparation of Ballot Papers)

PROCEEDINGS RESUMED AT 11.00 AM

SECRET BALLOT

The Speaker: Please be seated.

I will now ask the Honourable First and Third Official Members to take their place at the Clerk's Table. We will then distribute the ballots to all Members.

I will now say a few words about the procedure. I think I am right in saying that there are nine persons who have been duly nominated. The procedure for this election is that (and this I am saying for the benefit of the public) the Standing Orders decide or declare that we shall have a ballot. Members will vote by secret ballot, and the Clerk is handing out the names of those who have been nominated and seconded.

Under the present Constitution there are five Members to be elected, so you will only vote for five Members. You should not sign your paper. There should be no mark other than the 'X' on your papers. Your papers should not be identifiable. I am suggesting that perhaps you may fold the paper so that it will remain a secret ballot.

The Serjeant will then return the box to the Clerk in front of the two Scrutineers. The Clerk and the two Scrutineers will count the number of votes. They will then pass the list to the Chair for reading out. If there are five of the nominated Members receiving a clear majority of votes over the others, then those five will be declared duly elected.

This is how I plan to carry out the proceedings, and I ask that the gallery remain as quiet as possible.

The Speaker: If all Members have now completed their vote, I would ask the Serjeant to collect them in the box. Please fold your papers small enough so that they fit easily into the Ballot Box.

Will the Scrutineers begin the count?

Hon. James M. Ryan: (The Honourable Member read out the result of each Ballot Paper.)

The Speaker: The scrutineers may take their seats.

I shall now read out the number of votes received by each nominee:

RESULTS OF THE BALLOT

Mr. Roy Bodden	3 votes
Mr. Linford A. Pierson	3 votes
Mr. W. McKeeva Bush	11 votes
Mr. D. Kurt Tibbetts	3 votes
Mr. Anthony S. Eden	10 votes
Mr. Thomas C. Jefferson	10 votes
Mr. John B McLean	8 votes
Mr. Truman M Bodden	9 votes
Mrs. Julianna O'Connor-Connolly	4 votes

DECLARATION OF ELECTED MEMBERS TO EXECUTIVE COUNCIL

The Speaker: I therefore declare the following Members elected to Executive Council, and ask them to take their seats on the Government Bench. At that time you may show your appreciation by applause:

- Hon. W. McKeeva Bush
- Hon. Anthony S. Eden
- Hon. Thomas C Jefferson
- Hon. John B. McLean
- Hon. Truman M. Bodden

(Applause)

The Speaker: I have called these names as they were listed on the ballot paper, not necessarily by the number of votes received. If the Honourable Members want to seat themselves according to the votes received, that is for their discretion.

Proceedings are suspended for 15 minutes.

THE HOUSE WAS SUSPENDED AT 11.16 AM

THE HOUSE RESUMED AT 11.56 AM

NOMINATIONS FOR ELECTION OF MEMBERS TO THE STANDING PUBLIC ACCOUNTS COMMITTEE

The Speaker: Please be seated. The next order of business will be the nomination of Members to the Standing Public Accounts Committee. This is a Standing

Committee which exists under Standing Order 74 (2), therefore there is no need for a motion to be created.

First of all, I will ask the Honourable First Official Member to read the terms of reference of the Standing Public Accounts Committee.

Hon. James M. Ryan: Thank you, Mr. Speaker. Standing Order 74 (1) deals with the terms of reference for the Public Accounts Committee. It reads as follows:

"74 (1) There shall be a standing select committee, to be styled the Public Accounts Committee, to consider reports of the Auditor General -

- (a) on the accounts of the Government;
- (b) on such other accounts required to be laid before the House as the Committee may think fit; and
- (c) on any matter incidental to the performance of his duties or the exercise of his powers as the Committee may think fit.

(2) The Public Accounts Committee shall be nominated by the House at the beginning of a new session following a general election and shall consist of five elected Members. The quorum shall be three Members, including the Chairman.

(3) Upon its receipt by the presiding officer, a report mentioned in paragraph (1) shall be deemed to have been referred by the House to the Public Accounts Committee for consideration and shall forthwith be distributed on a confidential basis to all Members."

Mr. Speaker, that covers the terms of reference. There are other sections pertaining to the operational side, but that effectively covers the terms of reference.

The Speaker: Thank you, Honourable Member.

At this time I will call for nominations to the Public Accounts Committee. There will be five nominations.

Mr. Thomas Jefferson.

NOMINATIONS

Hon. Thomas C. Jefferson: Mr. Speaker. I beg to make the following nominations for Members of the Public Accounts Committee:

1. Mr. John Dwight Jefferson, Jr.
2. Mrs. Edna Marie Moyle
3. Mr. Dunstan Dalmain Ebanks
4. Mrs. Julianna O'Connor-Connolly
5. Miss Heather Bodden

Hon. Anthony Eden: I beg to second that motion.

The Speaker: Thank you. Are there any other nominations?

DECLARATION

The Speaker: There being no further nominations, I declare those Members duly elected to the Public Accounts Committee. At the first meeting the five Members will select their Chairman.

The next order of business will be the Nomination of Members to the Standing Register of Interests Committee. This is a new Committee being formed for the very first time, the Law being passed in the last meeting of the House.

I will call on the Honourable First Official Member.

NOMINATIONS FOR ELECTION OF MEMBERS TO THE STANDING REGISTER OF INTERESTS COMMITTEE

Hon. James M. Ryan: Thank you, Mr. Speaker.

The terms of reference for the Standing Register of Interest Committee are as follows. For the sake of clarity it is covered under Standing Order 73(A) (1), (2), (3), (4), and (5).

"73A. (1) There shall be a Standing Select Committee to be styled the Register of Interests Committee for the consideration of matters relating to the Register of Interests referred to it by the Registrar of Interests.

(2) The Committee shall consist of nine Members including the Chairman. The Chairman shall be nominated or elected in accordance with the provision of Standing Order 69(2). [Standing Order 69(2) simply says, "The Presiding Officer may nominate the Chairman of a Select Committee from among its own Members. If he does not make a nomination the Committee shall elect one of the Members to be Chairman."]

(3) The quorum of the Committee shall be five Members including the Chairman.

(4) The Committee shall be appointed at the beginning of a new session following a general election."

NOMINATIONS

The Speaker: I shall now call for nominations to the Register of Interests Committee.

The Honourable Anthony Eden.

Hon. Anthony Eden: Mr. Speaker, I beg to nominate the following people:

1. Mr. Kurt Tibbetts
2. Mr. Thomas Jefferson

3. Mr. McKeeva Bush
4. Mr. John McLean
5. Mr. Truman Bodden
6. Mrs. Edna Moyle
7. Mr. John Jefferson, Jr.
8. Mrs. Julianna O'Connor-Connolly
9. Dr. Frank McField.

Miss Heather D. Bodden: Mr. Speaker, I rise to second that motion.

The Speaker: Thank you. Are there any other nominations?

DECLARATION

The Speaker: There being no other nominations, I shall declare the Members duly elected to the Register of Interests Committee, and I shall appoint Mrs. Julianna O'Connor-Connolly as Chairman.

The next order of business will be the nomination of Members to the Standing Business Committee. I ask the Honourable First Official Member to move this Motion.

GOVERNMENT BUSINESS

MOTIONS

GOVERNMENT MOTION NO. 1

APPOINTMENT OF THE STANDING BUSINESS COMMITTEE

Hon. James M. Ryan: Thank you Mr. Speaker, I beg to move Government Motion No. 1, dealing with Appointments to the Standing Business Committee.

"BE IT RESOLVED that in accordance with the provisions of Standing Order 76, this House appoints a Standing Business Committee charged with deciding the order of business of the House and, in particular:

- (a) to prepare the Business Papers of the House;
- (b) to decide and inform the Clerk on Tuesday of each week the order in which Private Member's Motions are to be debated on the following Thursday;
- (c) to decide and to inform the Clerk two clear days before a Question Day the questions to be put down for reply on the Order Paper for that Question Day;
- (d) to provide a ready means of consultation between Members who are not members of the Executive Council, and the Leader of Government Business, the Presiding Officer and the Clerk;

- (e) to select a Member to read Prayers on each day of a meeting of the House other than the State Opening Meeting.

BE IT FURTHER RESOLVED that the Standing Business Committee shall comprise five elected Members;

AND BE IT FURTHER RESOLVED that the quorum for the Committee shall be three members of the Committee including the Chairman and that the Committee shall meet each Monday during a meeting of the House, and at other times as called by the Chairman."

The Speaker: I shall call for nominations for five Members of the Committee. May I have nominations, please?

Hon. John B. McLean: I move that the following persons be appointed to the Business Committee:

1. Mr. Truman Bodden
2. Miss Heather Bodden
3. Mrs. Julianna O'Connor-Connolly
4. Mr. Dalmain Ebanks.

Mr. John D. Jefferson, Jr: Mr. Speaker, I beg to second the Motion.

The Speaker: Are there any other nominations? We have four names nominated.

Hon. Truman M. Bodden: Mr. Speaker, I nominate Mrs. Edna Moyle to that Committee.

The Speaker: The other Member nominated is Mrs. Edna Moyle.

Mr. John D. Jefferson, Jr: I second that, Mr. Speaker.

The Speaker: Are there any further nominations?

If not, I move that Mr. Truman Bodden, Miss Heather Bodden, Mrs. Julianna O'Connor-Connolly, Mr. Dalmain Ebanks and Mrs. Edna Moyle be appointed to the Standing Business Committee.

Mr. Truman Bodden will be Chairman.

The Speaker: The next item is Government Motion No. 2, Appointment of the Standing House Committee. That will consist of five Members.

The Honourable First Official Member.

GOVERNMENT MOTION NO. 2

APPOINTMENT OF STANDING HOUSE COMMITTEE

Hon. James M. Ryan: Thank You, Mr. Speaker. I beg to move Government Motion No. 2 in connection with the appointment of Members to the Standing House Committee. The Motion reads as follows:

"BE IT RESOLVED that, in accordance with Standing Order 76, this House appoints a Standing House Committee charged with the duty to make recommendations to the House in respect of :

- (a) matters affecting the working conditions, comfort and facilities for Members during meetings of the House;
- (b) matters affecting the working condition, comfort and facilities for the staff of the House;
- (c) the operation and maintenance of the library of the House, and the provision of research facilities;
- (d) the maintenance, upkeep, furnishing and equipment of the Legislative Assembly Building.

BE IT FURTHER RESOLVED that the Standing House Committee shall comprise five elected Members one of whom will be elected by the Members of the Committee as Chairman, and one as Deputy Chairman.

AND BE IT FURTHER RESOLVED that the quorum for the Committee shall be three Members of the Committee including the Chairman or Deputy Chairman."

The Speaker: I will now ask for nominations to the Standing House Committee.

Mrs. Edna M. Moyle: Mr. Speaker, I beg to nominate the following persons to the Standing House Committee:

1. Miss Heather Bodden
2. Dr. Frank McField
3. Mrs. Julianna O'Connor-Connolly
4. Mr. Linford Pierson
5. Mr. Roy Bodden.

Hon. W. McKeeva Bush: Mr. Speaker, I beg to second the nominations.

The Speaker: Five Members have been duly nominated and seconded. I declare these Members elected as members of the Standing House Committee, and I will ask that they appoint a Chairman at their first meeting under the guidance of the longest serving Member of this Honourable Legislature.

The next order of Business is Government Motion No. 3, Advance Expenditure prior to the Appropriation Bill, 1997.

The Honourable Third Official Member.

GOVERNMENT MOTION NO. 3

ADVANCE EXPENDITURE PRIOR TO THE APPROPRIATION BILL, 1997

Hon. George A. McCarthy: Mr. Speaker, I beg to move Government Motion No. 3 dealing with Advance Expenditure prior to the Appropriation Bill, 1997.

I would like to preface the terms of the Motion with the following remarks.

As this is an election year, the Budget for 1997 will not be presented to this House until March of next year. As a result, this Motion seeks to obtain the necessary authority in order to incur the expenditure by various Government Departments for the period the 1st of January until the Budget is presented, which should be before the 31st of March.

The sum total being requested here represents approximately one-quarter of the 1996 Recurrent Budget, however a sum of \$3.5 million is also being sought under Capital. This is to cover, in part, expenditures relating to continuing projects which will be carried over from 1996, and will be kept into 1997. These projects will be kept active until the Budget is presented.

The terms of the Motion are:

"BE IT RESOLVED that this House, acting in accordance with the provisions of section 7(1) of the Public Finance and Audit Law, 1985, in advance of an Appropriation Law, authorises the expenditure of CI\$48,227,917 for the services of the Government in respect of the 1997 financial year, the sum to be charged on revenue in accordance with the Public Finance and Audit Law, 1985, and to be used for the purposes detailed in the Schedule –

OFFICE OF THE GOVERNOR

Head 01. His Excellency the Governor	\$ 111,198
Head 02. Cayman Islands Audit Office	135,775
Head 03. Judicial	604,661

PORTFOLIO OF INTERNAL & EXTERNAL AFFAIRS

Head 04. Internal & External Affairs	\$ 300,065
Head 05. Immigration	670,428
Head 06. Police	2,548,507
Head 07. Prison	984,336
Head 08. Personnel	1,315,180
Head 09. Sister Islands Administration	724,297
Head 10. Legislative	391,544
Head 11. Information Broadcasting	299,212

PORTFOLIO OF LEGAL AFFAIRS

Head 12. Legal Affairs	\$ 444,372
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PORTFOLIO OF FINANCE AND DEVELOPMENT

Head 13. Portfolio of Finance and Development	\$ 6,211,972
Head 14. Financial Services Supervision	NIL

The reason for this 'Nil' provision is because the Financial Services Supervision together with the Currency Board are being rolled up into the Monetary Authority which will become operational as at first of January, 1997. Accordingly, this \$6.2 million includes approximately \$1.3 million which will be going towards the Authority, also the Stock Exchange.

Specifically, inclusive in the sum for Finance and Development is approximately \$941,000, as I mentioned earlier. Of this, approximately \$689,000 will be to meet the expenditure relating to ongoing operational costs, while \$252,350 will be to cover the cost of furnishings; \$390,733 is being provided in order to fund the operational cost of the setting up of the Stock Exchange. These two amounts total \$1.3 million, which is included in that sum.

Approval is being sought for:

Head 15. Customs	\$ 783,423
Head 16. General Registry and Shipping	260,497
Head 17. Economics and Statistics Office	138,904
Head 18. Treasury	3,236,722

MINISTRY OF TOURISM AVIATION & TRADE

Head 19. Ministry of Tourism, Aviation & Trade	\$ 279,162
Head 20. Fire	1,023,959
Head 21. Tourism	4,306,894

COMMUNITY DEVELOPMENT SPORTS, WOMEN & YOUTH AFFAIRS & CULTURE

Head 22. Ministry of Community Development, Sports Women & Youth Affairs & Culture	\$ 1,746,158
Head 23. Social Services	1,685,963
Head 24. Human Resources	98,751

MINISTRY OF HEALTH, DRUG ABUSE PREVENTION AND REHABILITATION

Head 25. Ministry of Health, Drug Abuse Prevention and Rehabilitation	\$ 536,564
Head 26. Health Services	4,243,310

MINISTRY OF AGRICULTURE, ENVIRONMENT, COMMUNICATIONS AND WORKS

Head 27. Ministry of Agriculture, Environment, Communications and Works	\$ 367,924
Head 28. Agriculture	500,967
Head 29. Environment	230,453
Head 30. Environmental Health	1,019,267
Head 31. Mosquito Research and Control	541,099
Head 32. Lands and Survey	666,544
Head 33. Postal	482,682
Head 34. Public Works	1,658,740
Head 35. DVES	244,571

MINISTRY OF EDUCATION AND PLANNING

Head 36. Ministry of Education and Planning	\$ 610,507
Head 37. Planning	358,087
Head 38. Education	4,965,022

Total Recurrent Expenditure \$44,727,917

To be allocated under various items appearing under Capital Acquisition is a total of \$1 million, and under Capital Development, \$2,500,000. The sum that is being sought is \$3.5 million under Capital. The total recurrent from Capital Expenditure requirements, for which approval is being sought at this time, amounts to \$48,227,917.

A Member asked earlier if an update on Government's financial position would be given at this time. It is not normal for this to be done at the seeking of approval for allowing an advanced warrant in relation to expenditure in the subsequent year. However, there will be a meeting of Finance Committee which will be held, hopefully within the next fortnight. At that time, all of the information being sought by the Members of this Honourable House will be provided.

Thank you.

The Speaker: Government Motion No. 3, has been duly moved and is now open for debate.

Mr. Roy Boddén.

Mr. Roy Boddén: Thank you, Mr. Speaker.

Notwithstanding that this is an election year, and it is customary for these kinds of advanced accounts to be requested, I have to remark that in my tenure, sir, this has been the largest such request.

I also wish to say that it is unfortunate that, having such short notice, we have been requested to vote these funds, when we do not know what the current financial position is. I want to say that, responsibly, I have to vote this request; but I want to make my position known: My support in no way means that this is the kind of behaviour that I am prepared to tolerate in the future.

I will recognise that the Government must be in a position to continue, and that March is still some months away and we have commitments. I, again, take this opportunity to say that we in the Cayman Islands Government must seek to change our system from a cash system to an accrual system if we are to get better and sounder financial management.

That is my position. I have echoed that before. Indeed, in the previous Parliament I brought a Motion to the House. I lay out this as a challenge to the National Team Government to seriously consider in the upcoming Budget Session.

Thank you, Mr. Speaker.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Thank you, Mr. Speaker. I will briefly comment on this Motion, and in so doing I would

like to say that I support the Motion. I am quite aware of the procedure that has to be followed, having been a Member of Executive Council myself, and also a Deputy Financial Secretary.

I am comforted by the fact that the Honourable Third Official Member has given the assurance that the official financial position of this Government will be given in a fortnight's time in Finance Committee, since there have, indeed, been so many versions of what the correct financial position is.

In providing that information I would hope to see the adjusted Surplus and Deficit Account, which would include the amendments recommended by the Auditor General in his Report on the 1995 Accounts, as well as the true position of the General Reserves and the public debt figure.

There are just one or two items which concern me. Under the Portfolio of Finance and Development, item 18: I am somewhat concerned as to what the \$3.2 million represent, and whether that is, in fact, to cover the overdraft position of Government. Item 38, under the Ministry of Education and Aviation, of almost \$5 million also creates some concern.

I am surprised that we are asking for additional funds of \$44 million when Government has been telling the public that they have some \$60.3 million in recurrent surplus. I thought it would have been very easy to have taken \$44 million from that.

Nonetheless, I am pleased to support this Motion.

The Speaker: The Honourable Minister for Education and Planning.

Hon. Truman M. Boddén: Thank you, Mr. Speaker.

I shall be short. I will deal first with the points that have been raised. First, this House has just been convened for a matter of an hour and a half. Therefore, to the Third Elected Member for Bodden Town, there could be no more notice given because there was no House to give notice to. There were no Members of the Legislative Assembly. Taking the point on notice, this is now an impossibility. I mention that to the Member.

This is not, as the Third Elected Member for George Town said, 'extra money'. All this is, is an appropriation into next year, because there will be no Legislative Assembly and no budget coming until February. If this is not voted, then there is no money to pay civil servants or to do anything else. It is not 'extra money'. This is a part of next year's budget, and it will be for the first quarter, because during that period we will be able to bring the budget, in February, possibly.

It is not unusual, Mr. Speaker. This is done every four years at this time, and it is a common sense approach. You have no money for the first quarter of the year. What are you going to pay civil servants with?

Beyond that, what is normally done, and this was a matter for the Honourable Financial Secretary, is that a quarter's amount of money is appropriated from January to 31st March. It is not extra money.

The Speaker: Thank you.

Is there any further debate? The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Thank you, Mr. Speaker.

I rise in support of this Motion also. I would merely like to make a brief comment. I would anticipate a larger vote for the Sister Islands Administration for the last three-quarters of the year. I trust that the indication for the first quarter is by no means a fraction of the annual allocation.

The Speaker: The Honourable Third Elected Member of Executive Council.

Hon. John B. McLean: Thank you, Mr. Speaker.

First of all, let me publicly welcome you to the Chair. I look forward to working with you for the next four years.

Mr. Speaker, the Motion before us to deal with the finances of this country is nothing new. Unless certain Members believe that the Government should shut down right now and not continue.... It is unfortunate that this sort of attitude is displayed in our very first meeting. I think it shows us the trend they will go on. The Third Elected Member for Bodden Town has been in here a long time, and should realise by now that when there is a change in Government we have a gap that has to be dealt with.

I would like to commend the Honourable Financial Secretary for coming forward with this Motion allowing the services of this country to continue. At this point in time we cannot afford to do anything which will rock the boat. I trust and hope that from now on what we are trying to do here will be understood, and that we will not have a repeat of this, especially on the first day.

The Speaker: If there is no debate, I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. GOVERNMENT MOTION NO. 3 PASSED.

The Speaker: Before I call for a motion for the adjournment, I would like to express my appreciation on behalf of the House to those in the public gallery for their kind attention, and for the good behaviour we have seen here today.

I ask the Honourable First Official Member if he would move the adjournment.

ADJOURNMENT

Hon. James M. Ryan: Thank you, Mr. Speaker.

I beg to move that this Honourable House do now adjourn Sine Die.

The Speaker: The question is that the House do now adjourn. But before I put the question, I am sure that Honourable Members would like to take this opportunity, some in making their first speech in this Legislative Assembly, to express their appreciation. At this time I would like to give that opportunity to any Member who wishes to speak.

The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker.

I would like to welcome you to your new and exalted position, and to pledge my support and cooperation. You will recall that in an earlier Parliament, I supported you for the position of Deputy Speaker. I hold you in the highest regard, and you can expect my conduct to be of such a nature.

I would like to begin by thanking God for giving me the grace, the strength and the will to once again put myself in the position to come forward to represent my people. Secondly, I would like to thank the people of Bodden Town who displayed wisdom, good sense and confidence in my service. I would like to say that I will continue, with God's help, to serve them to the best of my ability. I look forward to working to bring them the best representation I can.

My position in this Legislative Assembly at this time is a little different from four years ago, but I have to proclaim at the outset that I see myself as an Opposition Member. In the Westminster System, the position of Opposition Member (Her Majesty's Loyal Opposition is how it is referred to) is a very important position because it is the Opposition that holds the Government to account.

I am but an ordinary Member of the Legislative Assembly, and I can only convey to the Government the requests, wishes and desires of my constituents. I shall continue to do that, as I have in the past. It is up to the Government whether these requests will be granted.

I have, in the past, carried out my duties responsibly with dignity and decorum. I intend to continue that. I intend to argue when it is necessary, and to conduct myself within the confines and parameters of civil debate. But I do not for one moment promise anyone that I am going to cave in and be run rough-shod over, irrespective of the numbers the Government has. I have never been afraid of putting forward my point of argument, even when it was unpopular. I shall always continue to stand for what I believe is right and proper.

We have just finished a taxing election campaign in which we had the full gamut of all things, such as mudslinging and personal castigation. At one stage we even had the masquerading of a rat! I do not know what significance that bore in the ability or inability of a person or persons to be selected to represent constituents in Parliament. I suppose to some it was intended to be humorous. I have to say that I do not have such a

puerile sense of humour. I take the dimmest view of such tomfoolery.

I reserve my most serious comment, however, for that kind of action which leads one to destroy paraphernalia and aids of others. In a system which touts responsibility, I have to wonder if we are going to tolerate such behaviour, irrespective of not wanting our opponents to win. I want to be clear and unequivocal that I view this kind of malicious behaviour as but the beginning of political violence, and I want to say that I cannot stand to condone that kind of behaviour.

I believe that as educated, responsible, upright people who set ourselves up for leadership, we have to find more sensible and acceptable ways of expressing our dislike or opposition to people who stand and vie for the same office.

The Caribbean is scattered rife with examples of political behaviour which we should not emulate. I say that there is no office in the land worth our making those kinds of sacrifices. I hope that it is the beginning and the end.

We all tout that we are a democracy. I believe that we are, irrespective of the differences of opinion among us. But I have to express my concern that the issues which I believe affect this country going into the 21st Century were only aired by a few. Certainly, this election campaign should have been fought on a far broader number of issues than it was. Maybe the National Team knew something that the rest of us did not know when they fought the campaign solely on their record of the past four years; while, at the same time, left issues which beg answers for the future unspoken of.

I am talking about issues that we often hear about, like corruption in society, dredging, the reckless spending and fiscal responsibility of the Government, short notice on Bills, intimidation, and the politicisation of the Civil Service. In my opinion, far too little attention was paid to these issues in the last election.

We can see that the composition of Standing Committees, as far as the Parliament is concerned, shows no change - because the Public Accounts Committee which, according to *Erskine May*, should be headed by an Opposition Member, has no opposition Member in it.

We, as Elected Members, have to find a way to work with the Government; but the responsibility goes beyond the precincts of this Parliament and, indeed, great responsibility lies with the media. Somebody called it the 'fourth estate'. I am disillusioned at the coverage and the obvious bias of the media during the last campaign. I would hasten to say, particularly the printed media. We cannot have a thriving democracy if bias and disregard is exhibited toward some element. Whether some people think they are fringe elements or not, as long as they operate within the confines of the law, they deserve to be mentioned and not taken for granted.

Like many other Members in this Chamber this morning, I was somewhat surprised by what I call the banishing of the previous Speaker. We were under the impression that a situation existed where things would

have been different. I can only say that I hope it was not as a result of high-handedness on the part of the National Team or any other entity. Mr. Speaker, I look forward with interest to a sensible and acceptable explanation. I think the country is owed such.

In the final analysis let me conclude with a Biblical reference: The prophet Habakkuk lived in a time much like our own. Public corruption, social injustice and chaotic violence were the order of the day. In frustration he pleaded to God for some clarity and direction. He climbed up a tower to wait and to listen until he finally heard a clear word. The prophet wrote, and I am quoting from Habakkuk 2:2-3 (The Revised Standard Version), "And the LORD answered me, and said, 'Write the Vision, and make it plain upon tablets, that he [or she] may run who reads it. For still, the vision awaits its time. It hastens to the end. It will not lie. If it seems slow, wait for it; it will surely come. It will not delay.'"

"The vision awaits its time..." Today the visions we most need have not yet appeared, or have appeared but have been snuffed out. The next four years will prove that the National Team Government is not what this country deserves.

Thank you.

The Speaker: The First Elected Member of Executive Council.

Hon. W. McKeeva Bush: Mr. Speaker, perhaps I can declare myself too. I am a Minister of the Government.

Once again, the people of these islands have spoken - and very loudly, indeed! They have given all of us the opportunity to serve them for four long years. The voice of the people is the voice of God. This is a great privilege given to us, but an awesome responsibility. It means and demands nothing less than the giving of the whole self.

Regardless of what is said, we live in a wonderful country. The great Creator has richly blessed our Cayman Islands. In a time of strained nerves, we forgot about our democratic process and, significantly, no guns were shot, no tanks rolled in the streets, no demonstrations, except for symbolic sweeping of streets - meaning a clean sweep for that particular district.

Yes, in these times our people are a blessed people. While some tension was in the air at times, we must now all move forward to forget the campaign and build the bridges to the 21st Century and prepare our people, this country, for the 21st Century.

Fifteen of us, chosen as we are, must now do the things we promised. We must do it without interference of selfish agendas.

I want to thank those Members who elected me once again to serve as one of the Ministers. I promise this House and these islands to work as hard in the next four years as I did in the past. But we must join hands and work together. This is what it will take to cure those problems spoken of.

From where I stand, there are several major issues which must and will be addressed as a priority in my

Ministry. Training - We must complete our plans and begin a joint Ministerial strategy to train our people to meet the needs of the future. This strategy will continue in partnership with the private sector, but one and all must understand that we must do what is necessary to train those Caymanians who are handicapped in their upward mobility.

Housing - We must come to grips with several schemes to afford our people in the lower income bracket the chance of owning a home. Mr. Speaker, I know what it is to need good shelter; I know what it is to be under a leaky roof. God willing, and with the help of the National Team and the independents in the House, regardless of political flair, we will continue to build schemes to assist our people.

In Culture, we will make the necessary changes so that our culture is not overshadowed by any other so that our people are more aware of it. This includes the completion of the writing of a new history of these islands for which preparation was recently started.

There is the expectation of better wages in the hotel industry. No longer should anyone expect to pay \$2.90, or \$3.90 per hour for ten years without a raise. This will be rectified. The Minimum Wage Advisory Committee, which was set up some time ago, will continue its work on this matter soon. Coupled with that will be an initiative to stop the blatant stealing of gratuities which belong to our people. This has been a rough road for my Ministry and the Government, but we will do what is necessary to come to grips with it. I invite, not only our Backbenchers, but all Members to join hands in this matter.

We will address the needs and changes that will be highlighted in the study on the Caymanian family and the crime study which has been completed. The Sports Office will be restructured into a Sports and Recreation Department. More emphasis will be placed on the maintaining of sporting facilities and enhancement of programmes. We will seek to secure the financial assistance now given to our elderly by putting in place a Law to guarantee its continuance.

These are the major priorities of my Ministry over the next four years. These are the bread-and-butter issues of this country; ones that we must not neglect.

In the broader scheme of things, and for those issues which do not fall within my Ministry, is an Immigration Policy that seeks to satisfy our people both in the protection of their business and safeguarding these islands for the future; a policy which also contains common sense and is humane to those who must live here amongst us. I hope that a Committee of this House will be put in place early next year to take on this task.

I also will do what I can to support the Governor and the Civil Service in the public sector reform, or the 'Re-invention' (as it is better called) that is taking place at this time.

I believe that we have good civil servants. Whether I can get along with anyone in particular is not the important matter. But what counts is that performance is given to these islands for the job before the Civil

Service. They always have my support and they will continue to have it. Where changes need to be made, they will have to be made.

I believe that we do have to thank God that we do have such a high calibre of people in our Civil Service in middle management, mainly, and in the top bracket. Of course, they could not do their job without those at the lower level.

The specter of dredging has not only caused in this House... and I am not going to refer to anything anybody said anymore than this particular matter. When it came down to the closing days of the campaign in West Bay, there were some dirty tactics, as usual. Not only in West Bay, it was seen all over. The perpetrators know who they are, but they did not hurt us because the people of this country know truth from fiction. As the old people used to say, they know who is who - who they can trust from who they cannot. People spoke in loud terms in my constituency.

As for dredging, I do not know where they are going to get fill from, or how they will carry on development. Those of us, and I include myself now, who are against it will have to come to grips with it. But it will not be the North Sound that will be dredged. The Governor has said that from a long time ago. The National Team made it a campaign promise, and we will retain that. My constituency would be the hardest hit in any catastrophe emanating from damage in that North Sound. So let one and all understand where McKeever Bush sits on this issue. I have never been afraid to say what I believe and to stand up for what I believe in. They will have to come to grips with what they want done in development.

I also have a dream to see these islands become what I term the Hong Kong of the Caribbean in terms of business. We will continue putting in place the structures which we already started, such as the Stock Exchange and the Monetary Authority; beefing up our regulatory systems to assure the International Business Community that we are serious about quality business.

Certainly, in building for the 21st Century we must follow some kind of plan, that is, short-term, medium-term or long-term, that we can realistically work toward. Last, but certainly not least, we must put our heads together to come up with ways and means of finding revenue to supply all of the needs of the people. This is, perhaps, one of our greatest challenges, for who can deny the people of these islands roads? Who can deny schools? Who can deny medical and recreational facilities? All of these things call for money. Prioritise, they say. We will wait and see who comes with the longest shopping list.

These are the challenges that lie ahead, as far as I am concerned. It is our job to enlist the will of the people so that they understand what it is that we are doing for them, and so that we can take them along with us. Yes, there will be challenging times ahead.

I wish to express my deepest gratitude for the confidence that the people of West Bay put in me. To get 77.5% of the votes cast says something about a record. I do not want to do any less in the next four

years than I have in the past 12. I will not let the people of West Bay down, nor will I shy away from the responsibility to assist in the governance of these islands through this Executive Council. My door will always be open. I will always be the same McKeever Bush. There is a tremendous amount of work to be done. We must now get on with it.

I pray to God, too, Mr. Speaker and Honourable Members, that "swords will be turned into pruning hooks." As for me, "The woods are lonely," sometimes, "dark and deep. But I have promises to keep, and miles to go before I sleep. Miles to go before I sleep."

Thank you for your indulgence, and I thank all Members for supporting me for this Executive Council.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: Thank you, Mr. Speaker.

First of all, let me offer my congratulations to you, Mr. Speaker, on your election as Speaker of this Honourable House. I believe that with your knowledge and experience, and your sense of fair play, you will do an outstanding job as Speaker. I look forward to working along with you over the next four years in this Parliament.

I also want to say thanks to our former Speaker, Mrs. Sybil McLaughlin, for her six years as Speaker; and also to say what an outstanding job she did while serving in that exalted position. I want to say to Mrs. McLaughlin, that I wish her all the best in her future endeavours, and may God continue to bless her richly.

I also want to say a big 'thank you' to the people of West Bay for electing me for a third term as one of their representatives and for re-electing our team as a whole. I want to say that I am proud of the people of West Bay for their loyalty and the confidence they have shown in our National Team Members for West Bay. I promise my people of West Bay that I will continue to work together with the National Team and our Team from West Bay, to look out for their interests and to provide the services that we need as a district and a country as a whole.

I also want to say thanks to the Caymanian people who have spoken so loudly in this election in re-electing a majority of the National Team members. This enabled us to once again put together a Government to lead this country in the right direction. I also want to acknowledge my three National Team colleagues, Mrs. Berna Thompson-Murphy, Dr. Steve Tomlinson and Mr. Tony Powell who were not successful at the polls. We still regard them as members of the National Team. I trust that they will continue to be part of the team and they are welcome to do that over the next four years.

I want to also say a special thank you to Mrs. Murphy and Dr. Tomlinson for their valuable contribution to our National Team as elected members for the constituency of George Town and the country as a whole over the past four years.

I want to give a very special welcome to our two new Members of this House, namely, Mrs. Julianna O'Connor-Connolly and Dr. Frank McField. I look

forward to working with you over the next four years as we continue to lead this country in the right direction.

I also want to give special congratulations to my colleagues of the National Team who have been elected as Ministers of Executive Council. I look forward to working along with them and the rest of the team to meet the many challenges this country has before it, to ensure that the interests of our people are promoted and protected.

In closing, let me wish for all Honourable Members and their families, and for the good people of Cayman, a very blessed and safe holiday season; may God continue to bless these Cayman Islands.

Thank you, Mr. Speaker.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Thank you, Mr. Speaker.

I would also like to extend a very warm welcome to you and to pledge to you my full support throughout this four year term.

I am, indeed, delighted and honoured to rise in this Honourable House as the First Elected Member for Cayman Brac and Little Cayman. I sincerely thank the people of Cayman Brac and Little Cayman for affording me this honour and wonderful privilege to serve them.

Being the first woman elected from my district, makes today not only an exciting day for me, but we are experiencing an historical day. I am eternally grateful to my Heavenly Father who made this day possible, and for the many prayers that strengthened me during a most difficult campaign.

To my son, Kamal, and my daughter, Kimberly, I am forever grateful and indebted for their love and patience demonstrated, particularly during the last five weeks. I pray that today's events will serve as a catalyst and a reminder for them to see that dreams do come true, and that in general all Caymanians, if not before, will now start to believe in themselves to set goals and not to ever let anyone steal their dreams. Remember, it matters not from whence you came, but where you are going. It matters not how rough the road is, just keep your dreams alive. Work hard, and with dedication, dreams do come true.

Mr. Speaker, I also would like to extend my heartfelt thanks to my determined and dedicated Chairman, Mr. Temple Tatum Jr., and to my hardworking committee members. Special thanks to the many persons who graciously nominated me on nomination day for their unquestionable commitment and stamina. My presence here today in this Honourable House is absolute proof that if God is for you, no one can be against you. No matter how minute or how gigantic, it is not ours to fight, but the Lord's.

I also wish to congratulate all Honourable Members here today. I challenge each one to place his trust in God and to daily seek His divine guidance, wisdom, knowledge and understanding as we move towards a

bright and positive 21st Century. Let us all humble ourselves before the King of Kings and Lord of Lords; and let us make our requests and petitions known to Him so that together, as an Honourable Parliament, we can formulate the best possible vision as we move into the 21st Century.

As a freshman in this Honourable House, it is my desire that we all work together in love, harmony and unity for the good of our beloved Cayman Islands. Let us stand in the gap, unite, be friendly, firm, and in so doing let us preserve our integrity and thereby present ourselves as shining examples, unblemished for our people and, in particular, our children - the future leaders of tomorrow. Let us all adhere to the conviction of the late John F. Kennedy, and first and foremost ask what we can do for this, our beloved, Cayman Islands, and not ever become submerged in what the country can do for us.

It has been my experience that blame is a destructive vehicle, which, if developed, will take you further than you wish to go. Blame divides and never unites; blame destroys and never builds; blame defames and never edifies. Let us all dare to be brave and free, and may God bless each one in this Honourable House.

The Speaker: The Member for North Side.

Mrs. Edna M. Moyle: Thank you, Mr. Speaker.

I would also like to add my congratulations to you on your appointment as Speaker of this Honourable House. Having been appointed as your deputy, I promise that I will work together with you for this Legislative Assembly in these islands. While I congratulate you, I would also like to thank the past Speaker, Mrs. Sybil McLaughlin, for her dedication and commitment to this Parliament over the years.

Mrs. McLaughlin has been a role model to me, and I thank her for her guidance over the past four years. I look forward to working with her on the outside.

I, too, would like to congratulate the Ministers who have been elected this morning and to say to each one, carry out your duties for the entire Cayman Islands, as you have done over the past four years.

I would like to thank my supporters in the district of North Side who stood beside me through one of the nastiest campaigns that has ever been fought in my district. It was nasty because it did not deal with my track record, it did not deal with issues; it was a personal attack on my character. I say, as did the First Elected Member for Cayman Brac and Little Cayman, if God is with you who can be against you.

Today we have in this Parliament people who have already declared themselves Her Majesty's Loyal Opposition. I say that for any Parliament to operate properly there must be Opposition. But I say to them, remember, we are all representing the same people - the people of the Cayman Islands. So we do not need Opposition for the sake of Opposition. I ask and impress upon you, let us have constructive Opposition to move this country forward.

I say to the people of North Side, to those who supported me, I am here for you; to those who did not support me, that was your democratic right, but I am still here to represent you. Your needs will be dealt with by me as a priority as I did over the past four years.

Thank you, Mr. Speaker, and may God bless every Member of this Legislative Assembly.

The Speaker: Thank you.

The Fourth Elected Member for West Bay.

Mr. D. Dalmain Ebanks: Thank you, Mr. Speaker. I also want to congratulate you on your new position. I wish you all the success I can, and I feel that this Honourable House will give you all the support and help that you will need.

The election is over now. I want to thank the people of West Bay for having the confidence in me to return me to serve them in this House. I do not think a person can enjoy a higher honour than to be appointed by the people to serve them. I feel honoured today.

We are going into the 21st Century. I hope that we will be able to carry on in the way that we did over the past four years, or even better. I hope that we will not be lambasted all of the time, but that help will come from the Opposition. I beg them to join hands with us as we push forward for a better and happier Cayman Islands.

I do not see why it cannot be done. Although we each have our own opinion, we all seek the same goal, that is, a better Cayman Islands. To attain that we will all have to unite and fight for the betterment of these islands. I will give an illustration of what unity means: During World War II the United States and Great Britain fought a hard battle against the tyrant Hitler. It looked as if victory was up for grabs on either side. Do you know what happened? There was another nation standing by watching, and it did not want Hitler to win. That was Russia, which was a Communist country. Russia joined hands with the United States and Great Britain and the war was won.

So, I am asking each and everyone here to join hands today as we move forward into the 21st Century with our beloved Cayman Islands.

The Speaker: The Second Elected Member for Bodden Town.

Miss Heather D. Bodden: Thank you, Mr. Speaker. I also offer my congratulations to you. I am sure that the people of Cayman Brac and Little Cayman must be very proud of you today. May God guide the Members and Ministers of Executive Council for the next four years.

It has almost been exactly one year since I stood before this Honourable House to be sworn in following the 1995 by-election in Bodden Town. I am honoured to once again stand here knowing that the people of my district put their trust in me for a further four years. As the second woman from Bodden Town to be elected to the Legislative Assembly, I would like to say that no mission could be of greater importance to me than that

of serving my constituents. It is a mission which I pledge to fulfill with honesty, integrity and complete dedication.

I said one year ago, and I will say it again today, not just to those people who voted for me, that you can count on me. I would also like to say that I have not reached this milestone solely on my own efforts. Had it not been for the encouragement and support of my family and friends I could not stand before you today. To my mother and father, my sisters, nieces, nephews, aunt and uncles, and to a lady who has been like my second mother, Mrs. Kadie Ebanks, let me say 'thank you' from the bottom of my heart. Because you stood by me, encouraged me and believed in me, I had the strength I needed to keep on going.

I am also extremely grateful to the members of my campaign committee. All the members showed so much enthusiasm and dedication throughout the entire campaign. I often wondered where they got their energy. Fortunately, it was contagious.

A special thanks goes to Mrs. Cecile Panton and Mr. Olsen Levy for nominating me.

My deep gratitude to the National Team Members is very much in order. Since first taking office a year ago, I have found their support to be invaluable. It has been truly gratifying for me to go through this campaign with such a unified group of people. Together we have pursued the same goal, that of making these islands better through vision, dedication and, most of all, team work.

I am truly grateful for the opportunity to continue what we have started. Our country has made significant strides in the past several years on both the economic and social fronts. This election was in many ways a show of confidence in the progress that has been achieved and the desire to see this forward movement continue.

Throughout the election campaign it was particularly heartening to see the younger generation taking such great interest in the future of these islands. For me, it was a very rewarding experience to have so many young people at my side, and to understand the depth of their commitment to this country. They are the future. I hope that in many ways I can serve as a role model for them.

I want to give them every encouragement to stay involved and to work in their communities for the betterment of these islands. You do not have to be in the public eye to make a difference. No matter how busy, everyone can contribute something. I am reminded of the song which says "If everyone lit just one candle what a bright, bright world this would be."

Also at my side throughout this campaign were a number of very remarkable senior citizens whose energy is a tremendous inspiration to our young people. Young and old came together during this election. It is a testimony to the strength of Caymanian society that they all stood on common ground.

I believe that this election also showed very clearly that Caymanians do not just judge candidates by the strength of their political track record, but by the strength

of their character. This election also showed that the people of these islands uphold and respect the qualities of honesty, fairness, caring and concern for others.

Mr. Speaker, there is much work to be done, but I feel confident that the women and men of these Islands have chosen wisely with their votes. We, as members of the National Team, will be working on a strong action plan as shown in our Manifesto, which the citizens of these islands have endorsed with their votes.

We must also work with the other Elected Members in a spirit of cooperation and harmony.

I would like to close by saying that I am honoured by the privilege afforded before me. I look forward to serving the people of these islands and my district for the next four years.

Thank you, and may God bless this Honourable House.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Mr. Speaker, Honourable Members, Members of the Executive Council, Members of the Legislative Assembly, the Clerks, ladies and gentlemen in the gallery, my mother, my wife, I would like to begin by saying that I, too, thank the Almighty God for having given me this opportunity. I shall be very conservative in the way I boast the name of the Almighty God because in these days people all seem to be giving credit to God, but their behaviour does not reflect that they truly believe this.

I would also like to congratulate you, Mr. Speaker, on your appointment in this Honourable House. I would also like to congratulate and thank Mrs. Sybil McLaughlin for having served these islands in that position. She certainly was an inspiration to me, who, for most of the time, listened to the debates from the public gallery.

I am not one who can explain all that happens in these islands. I do not understand why she is not in the Chair today, but other people have made that decision and I am here to work with what is here.

I would like to thank my mother very much, and I am happy that I have been able to make her proud. I would like to thank my wife for her support. I would like to thank my brothers and my sisters who were really my committee. Many people thought that I would not make this journey, but I have truly made it because of the blessings of the Almighty God. I think if there is anyone who has won who can attribute it to some type of miraculous effort, it is so in my particular case.

I would like to say to my colleagues who have declared themselves as Her Majesty's Loyal Opposition: Remember that I am here as an independent candidate, and that I cannot support any behaviour that I consider to be arrogant, untoward, and directly attributed to the fact that they are seeking power rather than seeking to serve the people. (*Some Hon. Members: Hear, hear!*) I think that we must clearly distinguish between those who

are willing to serve and those who are seeking power, because there is a total difference in conduct.

I am also an Elected Member of George Town. There are three others. This means that I will have to, and hope that I can, work along with the three other Elected Members of George Town, although I did not share their political Manifestos. If I am supposed to work with them, then I am also supposed to work along with the Elected Government, although I did not share their Manifestos.

I think that rather than declaring war we should vote for peace; we should be inspired by the decisions that the people have made and not arrogantly throw back in their faces the fact that we are not pleased with the decisions of the people. The people have spoken. Until we find a Government of this country abusing the power that the people have given them, I think that we should be very reluctant to begin war.

The guns have not stopped smoking and there are already people who appear to be having public meetings. I know that there are people who are also saying that my position as an independent candidate is not an independent position. There are countries in the world that are independent countries, but they are not independent because they are dependent on other people to get things done. There is no such thing as a truly independent position. There is no such thing as a truly independent person.

In regard to politics I will stand in this House and defend Members of the Government when I consider them to be right, and I will defend Members of the Opposition when I consider them to be right. But I will not defend arrogance. I will not defend a blind search for power.

It is obvious in this country that we do have political parties. I saw today in the public gallery members who have not put down their fight. It will continue for the next four years. Although the people rejected them at the polls, they are prepared to go out there and confront this Legislative Assembly and its opinions which means that they are acting as a political party.

I must refer particularly to Team Cayman. I must caution them, as I did previously, because my position was accepted as a result of my believing that the people would choose the National Team. I did not see how Team Cayman's political Manifesto made any sense to people. They must be aware that they are elected (whether or not they were elected with a small margin) to serve all of the people. It also means the people who voted for the National Team. I say that they should be very cautious.

I have never been a traitor. I have come to this House the hard way - through the streets of this Island, through the support of my mother, my wife, and my brothers and my sisters. I have come to this House as a result of suffering and tears, and I am not here to sell anyone out. I am not here to stand by and see petty politics destroy these islands. (*applause*) My message is not about being the Queen's loyal Opposition; it is that of being the loyal servant of the Queen. I took my oath

very seriously, and I made an oath to Queen Elizabeth II to uphold the position of the Governor of this Country and to uphold the position of the Members of Executive Council. Only when I can be convinced by evidence, not hearsay, that they are abusing these positions will I come out and say that I oppose them.

I would like to thank the Speaker for having accepted his position as Speaker, and to compliment the National Team at this particular point for the way in which they have conducted their campaign and for the way in which they seem to treat one another with warmth and respect. I think that maybe those people who are training themselves to take over this country should learn what loyalty and affection really are.

Thank you very much.

(Applause)

The Speaker: Thank you.

Does any other Member wish to speak? Hon. Anthony Eden.

Hon. Anthony Eden: Thank you, Mr. Speaker.

I would first of all like to thank God for giving me the strength to be here in this Honourable House. I would like to thank my family, my very devoted committee members and my people of Bodden Town who chose to send me back to represent them for four more years.

I would like to take this opportunity to congratulate you, Mr. Speaker, on the position you are now in. I know that the people of Cayman Brac will be very proud of you. You have ascended to one of the highest positions in these islands and have once more demonstrated the type of integrity you have.

I would also like to thank your predecessor, the Hon. Mrs. Sybil McLaughlin, for her diligence, and for the professional manner in which she served this Legislative Assembly and the Cayman Islands wherever she went. We must always look up to the leadership she demonstrated in these islands.

I would like to thank my colleagues in this Legislative Assembly for giving me another chance to sit on Executive Council. I think that the islands on a whole have seen what the National Team has done over the past four years. I would like to remind those who talk about Opposition that in a democracy, the majority of the people rule; and the people have once again spoken in no uncertain terms. We were successful in obtaining nine of the 12 seats we ran for. For those of you who are familiar with baseball, that works out to a batting average of a whopping 750. Compare that to the 110 batting average of Team Cayman. Someone like that would be sent right down to the minor leagues for improvement! *(laughter)*

As the previous speaker mentioned, I was a bit taken back by the tone set by the first speaker when he declared himself Her Majesty's Official Opposition. I would like to remind those who talk about Opposition that I remember four short years ago when one of their colleagues stood up in the Legislative Assembly and

declared himself the Official Opposition. That Member now sits on the outside looking in. I say that we are here to represent the Cayman Islands, not only our districts, but everybody. We come here to go forward.

Everyone talks about building for the 21st Century. We do not build something by criticising and tearing down. Let us unite and go back to what made Cayman one of the most outstanding countries in the world. We must unite with our families, go back to our God-fearing traditions. This can only be done by working together.

Thank you, Mr. Speaker.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Thank you, Mr. Speaker.

Let me first thank Almighty God for His guidance throughout the election campaign and for taking us this far. I trust and hope that all of the commitments we have heard here today from various professing Christians will be lived out in their daily lives. Also, I give a big thanks to my dear wife and family, and, indeed, to my loyal supporters and friends. It would be remiss of me to not mention my very hard-working committee for all of their efforts making this all possible for Mr. Kurt Tibbetts and me.

I trust and hope that I will prove to be worthy of the confidence and trust which has been placed in me by my people who have once again elected me as their representative. This is the third time that my people have bestowed this honour and privilege upon me and I can assure them that as in the past, I will serve them to the best of my ability.

I wish to congratulate you, Mr. Speaker, on your appointment as Speaker of this Honourable House. I look forward to working with you, as well as with my fellow Members of the Legislative Assembly, including the Elected Members of Government.

I must say, however, that it was very disappointing to learn from the evening news yesterday that Mrs. Sybil McLaughlin, MBE, would not be seeking re-election, as she is so well respected nationally and internationally. We would have been most fortunate to have had the use of her experience and knowledge for another four years. Nonetheless, I want you to know, Mr. Speaker, that you will have my full support in matters dealing with the House and, as in the past, you will have my respect. I will do whatever is within my power to make your job as easy as possible.

My three colleagues and I of the Democratic Alliance, are very pleased that we were able to stage a well planned and clean campaign. I am very sorry that we were not able to capture all four of the seats in George Town; but, to my two unsuccessful colleagues, I say that you made a very good showing and you have nothing to be embarrassed about. God willing, the Democratic Alliance will be a viable opposition in the future, as it is our intention to field candidates in all districts in the year 2000. It is a tradition in the Cayman Islands, as well as in the Caribbean and the rest of the

world, that Governments change every eight years. We would very much like to be part of the next Government.

Both Mr. Kurt Tibbetts' and my election in the George Town district was a clear message that the majority of registered voters supported the Democratic Alliance. We got a 50% success rate. I am not too sure about batting averages, but I know something about arithmetic. We are, therefore, proud to fulfill our role as the official Backbench supporters.

For those who may not be familiar with Parliamentary Procedure, I would like to mention that there is nothing wrong in having a good Opposition. A good Government depends upon a good Opposition. For anybody to paint a picture that an Opposition means that one is going to stand here and oppose everything that is brought to this House is painting a false picture and reflects a lack of knowledge.

We, that is Mr. Kurt Tibbetts and I, are proud to be a part of the Backbench Opposition considering that there are two types of Backbenchers: one is a Government Backbencher who supports the Government of the day, the other is an Opposition Backbencher. There is nothing wrong with such a system. We are also pleased that Mr. Roy Bodden has indicated his intention to be a Member of the Official Opposition.

I have heard a lot of things leveled at Mr. Bodden, the Third Elected Member for Bodden Town, but knowing the gentleman as I do, I feel that his intentions are pure.

I believe that I speak for the other Opposition Members when I say that our Opposition will be done with class and will be constructive. I can speak for myself when I say that I will not oppose for the sake of opposition. My record in this Honourable House is well known. This is not the first time I have sat here. Some of my colleagues from the past (1984-1988) can vouch that my opposition has always been constructive. There is no reason why I should change such an admirable track record. I will support issues which I feel are good for these islands, and I will oppose those which I feel are not good for our people.

While I realise that the new Government will set its own agenda, I nonetheless feel that there are certain issues which should be given top priority. I said earlier that I trust that the Honourable Financial Secretary will advise this House as soon as possible of the true financial position of Government in view of the many different versions floating around.

I also expect to see tangible proof from the Elected Government that a genuine and well thought out effort is being made by Government to reduce the cost of living in these islands. This is an issue that I will not allow to be pushed under the rug. There are other important issues which I feel must be given urgent attention including, but not limited to, the following: A complete revision and review of the Immigration Laws, Regulations and Directives. I am happy that the First Elected Minister of Executive Council has already given the assurance that he will be doing all in his power on

the question of affordable, low-cost housing for this country. This is a matter that I am happy will be given attention because of the number of homeless people and those living in sub-standard conditions in these islands.

A greater emphasis must also be given to developing our education system and in particular the technical and vocational skills in our schools so that all of our young people can have an equal chance to fill their rightful place in society.

Also, in view of the importance of tourism to these islands, I feel that a greater effort and emphasis is needed in marketing this sector more effectively. The protection of our Marine Environment is of paramount importance to the economic well being of these islands. Accordingly, an environmental assessment of the North Sound with terms of reference to include the impact of dredging within the Cayman Islands should be commissioned as a matter of urgency.

Urgent attention must also be given to preparing a suitable roads plan in order to address the increasing traffic problems in these islands. The moratorium lifted by the National Team Government in regard to further hotel development on the Seven Mile Beach should be put back in place as soon as possible.

Openness in Government is a big problem. There is a general feeling that the public is not being properly informed on a number of important issues. There is also a strong sentiment against Ministers of Government sitting on important boards both in the public and private sector.

On the question of Parliamentary privilege and immunity, I recommend that a committee be appointed to examine the many complaints coming from the public regarding the abuse of Parliamentary privilege. Members of the Legislative Assembly should not be allowed to maliciously defame the character of innocent members of the public who do not have the equal right of rebuttal; and who are not even able to take legal action against these perpetrators. The only criminal offence, of which I am aware, which marred an otherwise smooth election campaign (as alluded to by the Third Elected Member for Bodden Town), was the malicious destruction of the Democratic Alliance signs on Halloween night. What is really sad about this whole incident was that the children involved were allegedly instructed by an adult...

Hon. Truman M. Bodden: Mr. Speaker, on a point of order.

POINT OF ORDER

The Speaker: May I hear your point of order?

Hon. Truman M. Bodden: The point of order is that the Honourable Member has just said that people should not be maligned in here and named when they cannot defend themselves. He is getting up and dealing with a matter which I understand may be sub judice.

The Speaker: The purpose of this was to be tributes. I would deeply appreciate it if you would not go into matters that could be sub judice. I cannot say that it is, but I would appreciate if you would desist.

Mr. Linford A. Pierson: Thank you, Mr. Speaker. I am sorry that your time was wasted by a previous speaker, as I do not intend to - I have never done so, and never will - sit in this House to defame somebody's character as has been done by that Member in the past.

I just wanted to say on that particular point that I trust that this whole particular matter will not be swept under the carpet, but that the Legal Department will see that it is diligently pursued. While it is not wished for any Member to cause embarrassment to children involved, I feel that it is only fair to this country that the matter be pursued.

In closing, I wish to again thank all of my loyal supporters for once more electing me to this Honourable House. I certainly look forward to serving them and working along with my colleagues in this House, as well as with you, Mr. Speaker, for the next four years.

The Speaker: Does any other Member wish to speak?
The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker.

As have others, I wish to congratulate you on your appointment as the new Speaker of the House.

Let me say that I am deeply honoured to have been allowed the privilege to come back to this Honourable Legislative Assembly for a second term. I have listened to all of the previous speakers, and I paid very close attention to what the First Elected Member of Executive Council said about the many issues which he sees as important, needing to be dealt with immediately. It made me realise that regardless of where we sit in this Honourable House - as an opposing faction, an independent faction, or as part of the Government, that there are not really many philosophical differences. For that reason, I see much hope.

The issues he spoke about in his delivery were all, bar none, issues which I spoke about during the campaign. So there is hope, as I said before.

The people of this country have spoken and they have elected 15 of us. We sit here today. District by district, the National Team Government has been returned. Everyone of us has to respect the people's decision. The people also spoke in George Town, and there are four of us here who have been elected.

Let me quickly say that words fail me in properly expressing my appreciation for the confidence placed in me by the people of the district of George Town. I pray to God that I will be able to live up to their trust.

During the entire process there were times when I was a bit uncomfortable. I am not known to be one who thrives on confrontation and dealing with personalities. That is all over, Mr. Speaker. While I stand here, with all knowing my position, I say to all Honourable Members that even though we will have differences (and have had

differences), for the moment it is a time of healing. I wish for us to get on with the business of this country; I wish for us to do what is incumbent on us, which is to lead this country forward.

The Government will easily understand that I am a part of the check and balance. That is my responsibility. In 1992 when I was elected as an independent representative, my whole purpose was to be in the category of a watchdog. That has not changed. There will be times when I will strongly oppose things. That is just natural, and simply because we do not all look through the same looking glass. I wish for all to know that my sole purpose for being here is to simply play my part in ensuring that this country moves forward and that the people move with it.

I am most deeply saddened to know... and let me pause here, Mr. Speaker, to take you completely out of the picture because this has not reflection on you, sir... but I am deeply saddened to know that the former Speaker has not been re-appointed. I understand that the good little lady (I have not heard it, but I understand) did not seek re-appointment. That saddens me because I remember saying to her on the very last day of the September sitting before the House was prorogued, that she really had no idea how much effect she had on the lives of many of us. I wish to let her know today that I am truly sorry that the opportunity was not there for her to continue to have that great positive effect that she has had on my life in these Chambers.

Having said that, I can assure you that your life will be easy with the likes of me. You have no fear, sir.

To the people of the district of George Town, let me say that of the four representatives you now have, you have two that are with one group, one that is independent, and another who is a part of the Government which has been returned. My challenge today to all four of us, regardless of where we sit, is to ensure that when there are matters concerning our district, that we communicate and work hand-in-hand to ensure that the representation which we promised the people of the district continues in the right vein.

What I wish to challenge the Government with - and it will be for them to do so, not me - is to deal with the issues concerning our district in a fashion which is not covert. I do not wish to have to wonder about who gets credit for what, because that is not important. What is important is that it gets done. I want all of us to think about that, because while we each have to pave our own way, it is the greater good that will prevail when each of us goes away.

I said once before, and I am going to say it again: Let us deal with the affairs of this country in a forthright manner. We will never always all agree. The democratic process continues to make strides in this country, and I think it will continue to do so in the future. I have no fear of speaking my mind, and I have no worry about whether I should say something I do not want to say rather than saying what I think is right. I think we should all do that and the consensus of the majority will prevail.

To the people of the district of George Town, I again say thanks, thanks and more thanks. While speaking I have been trying to put the right words together, because I was indeed overwhelmed at the end of the day. I thought I had been a good enough representative to be returned, but I truly had no idea that the end results would have been the way they were. That is not for me to gloat over, that only adds more responsibility to the task.

I cannot forget my family who has suffered the torture of my not being there for many hours. I can only promise them that I will do the best I can to spend my time as wisely as I can while being the best representative that I can.

To the other Elected Members I can truthfully say that I congratulate them all. It was a good fight. Everybody had his personal choices. The people have spoken and I have always respected their wishes. May God continue to bless us; may He stay in our midst. As we all 'fight the good fight' may we remember that it is not what we become at the end of the day, but what the country becomes and what role we play to head it in the right direction.

(Applause)

The Speaker: The Honourable John McLean.

Hon. John B. McLean: Thank you, Mr. Speaker.

Let me first thank Almighty God for returning me here once again. Secondly, I take this opportunity to thank the people of East End who have once again shown that their confidence remains in John Bonwell McLean, Sr., OBE, JP.

I was indeed touched this morning when I could sit in the seat and look back at my colleagues well knowing that I was going to call upon them to vote for and elect somebody of your calibre to sit in the seat as Speaker of this Legislative Assembly. Let me say, as did my committee, you have served your country well. You have completed 16 years and, in my opinion, you are good for life. Mine was slightly different. They said I had served for 20 years and was good for life.

I would like to say to you, sir, that you have my support. If you would like to tap in on my experience at any time, I am most happy to work along with the Chair. My record here shows that, which brings me to the point where I would like to say that I would like to pay every good tribute to the past Speaker.

Mrs. McLaughlin and I go back a long way. When I came into this Legislative Assembly at the tender age of 26 years, she was the person here to tutor me. I look upon her today as a wonderful woman, somebody who has served this country well. I said no different when I spoke on her behalf quite recently when she was made a national hero. That was something which she deserved, and something of which the Cayman Islands can be justly proud.

So, while she is not here today, and she has been replaced, I can only recall the death of John F. Kennedy,

how in a couple of minutes he was replaced. In all of our sorrow, we can only look at this from a positive point of view, and let us take this country into the 21st Century.

As the longest serving Member in this Legislative Assembly, I have been very disappointed in the way this Parliament has started off. I am not blaming all the Members who have spoken. But I am going to be to the point and say that I am very disappointed in the remnants of the National Team Government. The people of this country have spoken... I am sorry, I mean Team Cayman. I apologise to this country for that, because I should not have made that mistake!

I am here to say that while we need Opposition in this House, we need fair Opposition. We do not need Opposition to sit in that corner and believe that everything this Government brings is wrong. The return of this Government was not because of the three Opposition Members sitting in that corner. If we had only gone along with their policies and their ideas, this country would have been worse than Jamaica today.

You know how most Americans say "God Bless America"? I say God Bless the Cayman Islands, because we did not have a team like Team Cayman take our people over. I heard my beloved friend in the corner, Mr. Roy Bodden, quoting scripture. Let me tell you something: I know scripture. Let me refer him and his team to Psalm 33:8 - "Let the earth fear the Lord. For he spake and it was done. He has commanded and it stood fast. The Lord bringeth the counsel of the heathen to naught. The counsel of the Lord standeth forever.". I trust that he can interpret that.

Thank God for the background of the people of this country, that they had enough foresight not to elect people like his colleagues.

This election was based on nothing but ridiculous attacks by that team I am talking about. Let me tell you that I can speak with authority on that because there was nobody as viciously attacked as John McLean. When they stooped to trying to defame me by showing a cheque which was not even connected with me, the people of this country have done this country justice in not electing them. *(Applause)*

Mr. Roy Bodden: Mr. Speaker, on a point of order.

POINT OF ORDER

The Speaker: May I hear your point of order?

Mr. Roy Bodden: The Honourable Minister speaking is misleading the House and causing malicious information to be spread. Is he saying that the cheque which allegedly bore his name was circulated by any Member of Team Cayman? My information was that the police have been unable to find the culprit.

I am asking you, sir, to ask that Honourable Minister to retract his allegation.

The Speaker: Honourable Minister, did you say a Member of Team Cayman? I did not understand it in that way.

Hon. John B. McLean: You, know, there was a Member who sat on that side sometime ago who bore the same surname as the Speaker today, that was the Honourable Charles Kirkconnell. He told me something that I will never forget. There is a Jamaican saying that when you throw a stone in a pen of swine, the one that hollers hardest is the one who got hit.

Let me say, with the greatest of respect to the Chair, my information tells me that every member of Team Cayman knew about that cheque. So the Member who just jumped to his feet is quite aware that when he heard it he also tried to use it. He was in my district running his mouth... and along with that, he was one of the Members who thought that he had out done me to run to the Governor. But his legs are not that long.

Mr. Roy Bodden: Mr. Speaker, I still stand by my point of order. Let me say that I had nothing to do with either the manufacture or the circulation of that document. I speak also on behalf of my colleagues. I challenge the Honourable Minister, if he has information to the contrary, to go to the Special Branch and let the law take its due process. Otherwise, please make him desist from his dangerous allegations.

The Speaker: Honourable Minister, could we move on to another point?

Hon. John B. McLean: Yes, Mr. Speaker. I give you the assurance that I have made my point. All I have to say is that I invite him and I invite Team Cayman to let us refer to the words of that great president, Mr. John F. Kennedy: "Ask not what your country can do for you; but what you can do for your country." I want them to compare their record with J.B. McLean's. They will see what I have done in my 20 years. I would like, instead of coming in here and starting off the way he has today, to instead speak to the people of Bodden Town in a decent way and show them that he is ready to work with the Government. *(Applause)*

I want my colleagues to see what we are in for over the next four years. A leopard never changes its spots. It is quite clear by his attitude today, that he intends to carry on in the same way. Let me say that our Government was not returned because we did not do a good job - we did a good job; and we will continue to do a good job. Each one of us on this side has projects which we need to continue.

At this point I would like to say that we are delighted with the way that Dr. Frank McField, who has just come into this place, has been able to scold people like the Third Elected Member for Bodden Town. *(Applause)*

I would like to thank all of my constituents. I would like to thank the people of this country, and all of my colleagues for what has happened here today. I would again like to say that I thank Almighty God, not for

returning John McLean, but for saving this country from the dangers it was exposed to. We must continue to keep the old ship Cayman on an even keel.

I know that I will be ridiculed, but, Mr. Speaker, no one is going to walk the floor and punch me the way they punched poor old Truman Bodden. So that must be understood. I will stand here on behalf of the people of the Cayman Islands, most especially, my beloved people of East End. That is exactly how it is going to be for the next four years.

As I said, you are new in the Chair. We are glad that you are there. We are saddened that Mrs. McLaughlin left, but the most we can say to you now is that we are going to support you in any way we can. I just ask all Members that when we return to these hallowed Chambers we put everything behind us and get on with what we were elected to do here. I do not know about the Opposition in this House, but I know that when I leave here today I have a pile of things on my desk to do which represents all areas of this country. I beg each one to let us bury the hatchet and put politics aside. The people have spoken. God be praised.

Thank you, Mr. Speaker.
(Applause)

The Speaker: Thank you.

May I remind members of the public gallery that we are in the Legislative Assembly which is in session. I ask that they desist from applauding as it is not Parliamentary.

The Honourable Truman Bodden.

Hon. Truman M. Bodden: Thank you, Mr. Speaker.

I would first like to thank God for His wisdom and guidance in these elections. It is with pride and humility that I take this seat in this Honourable House.

I welcome you as Speaker of this Honourable House. You are the first person from Cayman Brac and Little Cayman to hold this position, and also the first Elected Member of this Honourable House to hold this high position. I believe that the people of Cayman Brac and Little Cayman can be justly proud, as can all the people of these islands.

You have had a long and distinguished career as a Member of the Legislative Assembly, one who has championed the rights of your people in Cayman Brac and Little Cayman. You have an impeccable character, you are honest and capable, and I have no doubt that you will fulfill the duties of one of the highest official positions in this country as Speaker of this Honourable House in a good and proper way. I pledge to you my support for the smooth running of this Legislative Assembly and I shall assist in any way possible.

I would like to thank all of my supporters and my constituents in George Town who supported me in this election - all constituents generally, whether they supported me or not. Also all Members of this House for appointing me to the Executive Council. I assure them that I shall do my best and will not let them down.

I am saddened that Mrs. Berna Murphy and Dr. Steve Tomlinson and Mr. Tony Powell were not successful in the elections, but they have pride for having run a clean campaign. I shall miss my two colleagues from George Town, but they remain with the National Team and we will continue to have the benefit of their advice and help throughout the years.

I know my duty here, and that was clearly set out in our Manifesto when we stated that "...we accept that we are representatives of you the people." Therefore we will consult and follow the wishes of the majority of our constituents, including where necessary by referendum.

I intend to represent all of my people, Mr. Chairman, not just those... Mr. President, rather... I mean, Mr. Speaker. I am sorry, it has been a long day, and when you are my size and do not get any lunch.... I am sorry, Mr. Speaker, my duty is to represent all of my people, and I will do that. I intend to work with people of this Legislative Assembly, especially the independent, the Fourth Elected Member for George Town, whom I believe has well earned his seat.

I would also like to welcome the new Members to the House. I intend to continue to be fair and equitable to everyone, and to treat all Members of this House alike.

The past few months have been difficult. I have probably had more leveled at me than I even knew existed. I learned a lot of new things about myself in the rumours that went around. However, it is somewhat unfortunate that the House did begin with what I consider a misconception of what Opposition should be. Opposition in this House... and by the way, it could never be 'Her Majesty's Loyal Opposition,' because they sit in the Parliament of the United Kingdom. But the Opposition in this House, the two Members have started out in a way that has cost them and other Members who were with them seats in this House.

I do not intend to attempt to go into very much in relation to whatever Ministry I may be given, but what I would like to say is that I will do my duty with whatever Ministry I am assigned. It would have been better if at this beginning ceremony today that references to the bitterness by the two Opposition Members in talking about things like political violence and that sort of thing... this does not exist. It is like being in a fairy tale world sometimes when I listen to this. It does not help the country. This is what can destroy the country. That bitterness is what perhaps cost eight of the nine members of Team Cayman seats in this House. I say it has to be put aside.

I believe that I have taken, next to Mr. McLean, probably more abuse than anyone in this House, including physical violence (since we have referred to that). But life has to go on. While not commenting specifically on the matter raised by the Third Elected Member, but speaking generally, I would just like to point out that the political signs were erected in breach of the Planning Law. So they began on the wrong footing and were left up during election day in breach of the Elections Law. In Savannah, East End, Cayman Brac, signs were torn down. Graffiti was written on signs. Just

to point out that this happens in every election; why it has been made a specific case, obviously goes back to the bitterness.

I would like to thank my colleagues once again, especially the members of my committee, and the members and staff of my law firm for their loyalty, advice and support to me and to other members of the "A Team" during the campaign. I note that many of my committee members have been with me for over 20 years.

I thank Mr. Kearney Gomez and his efficient elections staff, especially Mr. Philip Barnes and his staff in George Town electoral stations, and to the Royal Cayman Islands Police for a well organised, peaceful election. I thank all branches of the news media, television, radio, press, who worked very hard and who kept the public fully informed on important matters.

Last, but most important, I would like to thank my two little daughters and my mother and family and friends for all their support and patience during the election campaign.

At this time I would like to thank and pay tribute to Mrs. Sybil McLaughlin, our first Speaker. She has been an outstanding Speaker, very knowledgeable in Parliamentary procedures. Her wisdom and guidance has been sought by MLAs throughout the past several decades. I believe that the Legislative Assembly and the Cayman Islands owe her a great debt of gratitude. I believe that as our only living National Hero, Mrs. Sybil will continue to be dear to Caymanians, especially MLAs who will continue to seek her advice on future Parliamentary problems.

The Honourable Sybil McLaughlin has given her reasons for not seeking this high office, and I think it is the duty of people in this country to accept and support them. She is our National Hero and over the next four years, if what we have seen today is an example, I believe that as National Hero she may have well been put in compromising positions. She has many other commitments and I accept her explanation on this and I wish her and her family all the best.

Our mandate from the people of the Cayman Islands to this House is clear. We have clearly set out in our Manifesto details of what policies we will bring in the next four years. The Committees have been appointed and I would also like to add that I look forward to working once again with the Clerk, the Deputy and all staff of the Legislative Assembly. I would also like to congratulate the Official Members for being back, and I once again pledge support to them as we go into Executive Council.

The new Executive Council has to operate for the good of the Cayman Islands, and must function as a team in a spirit of cooperation and trust. Its Members and the Members of this House must bear that trust. The present problems of the Cayman Islands are too large and critical to be dealt with with personal or petty bickering between Members of the Legislative Assembly or between Members of Council. I think we must all now get on with the job ahead of us, as speedily and reasonably as possible.

This hallowed Chamber often, unfortunately, takes the role of Members saying that they are not going to hit on other Members - then immediately after, getting up and doing just that. I think we should not be hypocritical, when making statements about our fellow Members, but should be honest. It is now our duty to pray for God's guidance in the coming years and for His determination of the future of our beloved Cayman Islands. God Bless the Cayman Islands and all of the people.

The Speaker: Thank you. The Honourable Thomas Jefferson.

Hon. Thomas C. Jefferson: Thank you, Mr. Speaker.

We, who today have taken the oath to serve the people of the Cayman Islands, have a tremendous task placed upon our shoulders, to lead the Cayman Islands into the 21st Century. We are known for political stability. We are one of the leading financial industries in the world, we are one of the premier warm weather tourism destinations, our economy is strong, the quality of life in this country is equal to almost any in the world. We have a responsibility to maintain that. I want to thank Almighty God for all of our being here today to take up that task.

I wish to thank the people of West Bay in particular for returning me to the Legislative Assembly. It is a special privilege to serve the people of one's district, and one that I hold very dearly to my heart.

The National Team has served this country well for four years. All of us, whether we wish to say it or not, realise that it is the only reason why the majority of this House are National Team members. We commit ourselves to continuing that good form of Government, caring for our people, consulting with our people, keeping our people briefed and ensuring that issues, such as dredging of the North Sound, do not become a monster around our necks. We have all said that we have no support for major dredging of the North Sound. I believe that I am old enough, big enough and loud enough to say that when the time comes.

I would like to remind all that this country did not come this far by division, or by the grabbing of power; but by people's willingness to serve this country, improving the quality of life, responding in a caring and neighbourly way. It is the cornerstone of this country. I believe that we need to reflect on these few words.

There is hardly a person who comes to the Cayman Islands who wishes to leave. The reason for that is the social harmony and quality of life which exists here. We need to hold on to what we have. Division does not get us anywhere.

There are many issues. Perhaps today is not the day to get into all of them - when we come to the Throne Speech, next year (God willing), that will be the proper time. But there are many issues about which we, as Members of the Legislative Assembly will have to put our heads together, put aside the differences and say this is a national issue and, in the best interest of all the people of the Cayman Islands, we will get it done.

I wish to again thank the constituents of West Bay, our supporters, our committee which was there for us always - every time we needed them, they were there. I do not want single out any particular individual, but they do know how I appreciate them.

I wish to also thank my family, my wife, my children, my mother, my brother and sisters and other relatives and friends for their encouragement and support. It is times like these when you find out who really are your true friends.

I wish to thank the Members who elected me to serve on Executive Council. I appreciate it very much. I give you my word that I am here to serve all of the people of the Cayman Islands as a Minister.

The Speaker: Thank you.

Honourable Members, I, too, would like to say a few words.

I am the first Elected Speaker who comes from the Elected Members of this House. I would like to thank Almighty God for the blessings He has bestowed upon me and this country. I ask for His continued blessing.

I would like to thank my family, my committee and all who supported me throughout the 16 years that I have served. I will be forever grateful to the people of Cayman Brac and Little Cayman for the support they have given me. I want to assure them that even though I am now the Speaker, I am still a representative of Cayman Brac and Little Cayman, and, with my colleague, Mrs. Julianna O'Connor-Connolly, will give you the representation you justly deserve.

Throughout the years Cayman Brac and Little Cayman have benefited in many ways. We hope that with a united front, with the two representatives working closely together that we will be able to perform well.

I want to congratulate the Members of Executive Council on their election, and my predecessor, Mrs. Sybil McLaughlin. She has been a life-long friend of mine. We go way back. She was my mentor. I thank her today for whatever knowledge and ability I have to hold this high office. When I came into this Legislative Assembly she was the Clerk. She graciously took me under her wing and taught me a lot about Standing Orders, and taught me where to locate additional information.

Mrs. McLaughlin has achieved just about everything that a lady can achieve in her life. Not only has she been an inspiration to me as a Member of the Legislative Assembly, as a very able Speaker, she has also been a great spiritual leader within this Chamber. I shall be forever grateful for that. I wish everything that is good for her. Earlier today I had the privilege of hugging her and saying thanks to her for all that she has done, not only for me, but for the Cayman Islands as a whole.

Mrs. McLaughlin, we wish you everything that is good, including a long life.

As we come to the conclusion of this, I want to thank the people in the gallery for their kind attention and for staying with us. This is an historic occasion and before I close I wish all Honourable Members and their

families, the Clerk, Mr. Cline, the staff in the Kitchen, all the people of the Cayman Islands, the very best for the Christmas season. We will not have the opportunity to meet with you prior to that, so I hope that it will be a very joyous, pleasant and peaceful Christmas for all.

A final announcement I would like to make before the adjournment, is that immediately following this there will be a group photograph taken on the steps. I ask that Members do not leave before that photograph is taken.

If there is no other business, I would like to...

The Honourable Third Official Member.

Hon. George A. McCarthy: I would like to take this opportunity to congratulate you as Speaker, and to pay tribute to Mrs. Sybil McLaughlin, MBE, JP, National Hero, for the excellent leadership she provided during her tenure as Speaker in this Honourable House.

I would also like to congratulate every Elected Member of this Legislative Assembly, those nominated to Executive Council and those on the Backbench, equally.

In my estimation, today should be regarded as a day of national reconciliation and healing as alluded to by most of the Elected Members who have spoken. This is a time when all differences and bias are set aside in order for us to unite to move forward, in order to secure what is best for the Cayman Islands. It is not new to Members when I say (as it says in the Bible) "A house divided against itself will not stand." That has been extended further to say, "United we stand, divided we fall."

The finances of the Government are very important. The job of Financial Secretary of these islands is not one that I take lightly. It must be recognised that when each and every Member can get up on a platform and express his views in terms of the state of the country's financial affairs, that I have to maintain an unbiased and objective position. I indicated much earlier that when the advanced warrant was being submitted for approval that detailed information will be provided as to the Government's projected financial position up to the end of 1996. The figures that we have on hand at this time, as prepared by the Treasury, sets out what obtains as at 31st October. I am sure that all Members of this House will be interested in that information.

It was mentioned that this is the biggest warrant for which approval has been sought. Naturally, it would have to be. If we look at trends, in 1992 the advance warrant for which approval was given was in excess of \$30 million. I think it was in the region of \$34 million. What has been proposed here today, in order to take a prudent approach, is that it be kept at one quarter of the provisions approved in the 1996 Estimates. That is to ensure that the budget is thoroughly examined by the Government and every Member of this House before final consent or approval is given.

It does not pre-empt that all of the requests that are made by controlling officers for 1997 will be allowed. It is also to be recognised that the warrant being sought today will be rolled up in the 1997 Budget. This is a

major consideration; it is not a question of the Government being given the authority to go off... and irrespective of the size of the bank balance at this time, not one dollar can be spent unless the appropriate approval is given. So, I think a distinction should be made regarding the question of Government's liquidity position, and the authority to spend money.

I mentioned also that provision was being sought to ensure that a grant be provided to the Monetary Authority. I can assure Members at this time that the Budget for 1997 will be much bigger than what it was previously. The reasons for that are: First, the Currency Board and the Financial Services Supervision Department are being rolled into a single unit, and secondly, the strength of the staff complement will be increased significantly.

Interestingly, I am now hooked up to the Internet. I am not a proficient user of that technology as yet, but what was interesting yesterday, when it was being demonstrated to me, was that practically every country in the region is now professing to be an international financial centre. Our laws have been copied, our practices emulated, and there are individuals out on fact-finding missions coming to the Cayman Islands, coming into my office and gleaning information. This is being compounded by the fact that we have representatives of major international corporations coming into my office, visiting the Inspector of Financial Services Supervision Department in order to glean information on the Cayman Islands; because all indications are that we are a very secure financial centre.

This we will have to continue to nurture. We will have to be very careful as to our approaches, and how we shape ourselves for the 21st Century. It is not a matter that we can take for granted any more.

Speaking of the Internet, when we talk about this world being a "global village," in the literal sense of the word it is. You can sit at a desk and see what is happening in Hong Kong, in Singapore, in Bermuda, the British Virgin Islands - all of the countries within this region, in Europe, Asia, wherever. All of these countries are putting out information about themselves.

As I mentioned earlier, we did not achieve this position by accident. As a result of that, we will have to take a proactive approach. This is what we have been doing. We introduced Mutual Fund Legislation back in 1993. To date, we have over 1200 funds registered as Cayman Islands Funds. We have funds being traded on major international stock exchanges. We felt that having done all of this, it naturally follows that rather than having all of these funds going off to register elsewhere, that they should be on a Cayman Islands Stock Exchange. I am thankful to Honourable Members for having given their support to the necessary funds. I trust that the approval processes required to ensure that the funding will be put in place for this activity to become operational will be allowed.

We are also rolling up our Monetary Authority. This is to ensure that the Cayman Islands not only says that it is a leading international financial centre, we want to be

able to tell everyone of questionable intent who would attempt to abuse the Cayman Islands to take their business elsewhere. We want business that is credible and genuine, reflecting economic substance.

All of these are factors which we have to take into consideration. To achieve this we must have the necessary competence by way of a regulatory regime to sift out dubious business and to also welcome what is credible to the Cayman Islands. This will not only help our position, but will ease our conscience knowing that we have done everything to ensure that we operate as a credible and well-established financial centre.

A final point I should make is that introducing the stock exchange will mean more work permits. This is a sore subject, but I take the view that every job created in Cayman is a job held in trust for Caymanians who are presently off at University at this time training. It will be necessary to employ the necessary expertise on a temporary basis; but whenever our people develop the competence to move into those positions so that we can continue to operate our financial industry with the degree of excellence desired, which every member of the Cayman Islands community would endorse, we have to make sure that those job opportunities are available.

We also know (and it is not a light subject) that this carries with it financial and social costs; financial from the point of view that we will have to expand the capacity of our infrastructure. Every additional person or family which comes into Cayman will translate into more teachers, more medical services capacity, the roads, everything. On the social side it impacts on the indigenous way of life. But I think that we will have to cultivate and streamline our policies to ensure that a balance is maintained. We cannot really throw up our hands and say that nothing should be done. We have the minds of 15 Elected Members in this Honourable House (which includes you, as Speaker), the three Official Members of Executive Council, the senior administration of Government, His Excellency the Governor, and all of the persons within the community who will critique the policies of the Government. This brings together what I would call a harmonised approach. No one person knows it all. I would not put myself forward to say that I am an expert on everything. I think that wise counsel is important because the Bible alludes to it and we should all take it.

We have to look very carefully at how we want the Cayman Islands to go into the 21st Century. At the end of the day what is important is that the good life, which I have enjoyed as a Caymanian, should continue for my children, and their children, and every child in the Cayman Islands - all future generations, regardless of how far into the future. I would not want for it to be put on record that "Once upon a time...". Therefore, we will have to put our minds together, pool our ideas and our resources to ensure that we secure the future of these islands.

Thank you, Mr. Speaker.

The Speaker: The Honourable Second Official Member.

Hon. Richard H. Coles: May I add my congratulations to you, sir, as Speaker of this Honourable House, and also give my best wishes to your predecessor, Mrs. Sybil McLaughlin. I would like to welcome back to the House those Elected Members who served here in the Legislative Assembly previously, and to give a special welcome to the three new Members.

I would like to congratulate those Elected Members who have been elected to Executive Council. I look forward to working with them and to participating in debate in this House which is fair, honest and stimulating.

Thank you, Mr. Speaker.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Thank you, Mr. Speaker.

I rise to congratulate you warmly, and to welcome you following your election to the high office of Speaker of the Legislative Assembly of the Cayman Islands.

In so doing, let me also offer my congratulations to the Member of North Side for being re-elected as Deputy Speaker. She has served in the Chair on past occasions in the absence of the Speaker, and she did an excellent job. I am certain that she will complement your role ably.

I would also like to congratulate the five Honourable Members who have been returned as Ministers of Executive Council. I pledge to them my continued support and I look forward to working with them in the times ahead.

I also congratulate all Members who have been returned to the Legislative Assembly. I welcome the new Members, especially the First Elected Member for Cayman Brac and Little Cayman.

Mr. Speaker, as a fellow Cayman Bracker, I am delighted at your appointment to the high office of Speaker. I am sure that I speak for all the people of the Sister Islands when I say that we are immensely proud to see you in this lofty position. Your wife and family here in the gallery and those listening by radio will be very proud of you, and rightly so. You have served with distinction as a master mariner, and I have no doubt that your years on the bridge of a ship will put you in good stead as Speaker of this House. I pledge my full support and cooperation to you.

Your Christian stand is strong, and for this I am very happy. I wish to thank the former Speaker of the Legislative Assembly for her distinguished service to this country in many capacities, but especially as Speaker. I wish for her continued good health and long life.

Finally, I would like to refer to the words of our Lord when he said, "Whoever shall be greatest among you must first be your servant." In other words, show humility. Your life has always reflected humility and today it is gratifying to know that you have been exhaled to this high office.

Again, my warmest congratulations and all the best as you serve in your new role. I thank you.

The Speaker: I would like to say to all Members how much I appreciate your having supported my appointment as Speaker of this House. I shall do everything in my power to uphold your trust, and I ask each and every one for his support.

I now move the adjournment of this House sine die.

AT 3.14 PM THE HOUSE STOOD ADJOURNED SINE DIE.

**EDITED
FRIDAY
7TH MARCH, 1997
9.42 AM**

The Speaker: I will invite the Rev. Randy Von Kanel to say prayers.

PRAYERS

Rev. Randy Von Kanel: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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 those that trespass against us; and lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, forever and ever, Amen.

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

The Speaker: Please be seated. The Legislative Assembly is in session.

PROCLAMATION NO. 3 OF 1997

Clerk: Proclamation No. 3 of 1997 by His Excellency John Owen, Member of the Most Excellent Order of the British Empire, Governor of the Cayman Islands.

"WHEREAS by subsection (1) of section 46 Schedule 2 of the Cayman Islands (Constitution) Order, 1972, it is provided that the Sessions of the Legislative Assembly shall be held at such time and place as the Governor may, from time to time, by Proclamation appoint;

"NOW THEREFORE, under and by virtue of the powers vested in me by the aforesaid Order, I, John Owen, Member of the Most Excellent Order of the British Empire, Governor of the Cayman Islands do hereby proclaim and make known that a Session of the Legislative Assembly of the Cayman Islands shall be held in the Legislative Assembly Building in George Town, Island of

Grand Cayman, at 10.00 a.m., on Friday the 7th day of March, One Thousand Nine Hundred and Ninety Seven.

"Given under my hand and the Public Seal of the Cayman Islands at George Town in the Island of Grand Cayman, this 6th day of March, in the year of our Lord, One Thousand Nine Hundred and Ninety Seven in the Forty-sixth year of the Reign of Her Majesty Queen Elizabeth II. God Save the Queen."

**MOTION TO ARISE AND AWAIT
HIS EXCELLENCY THE GOVERNOR**

The Speaker: I call upon the Honourable Minister responsible for Education, Aviation and Planning for suspension of the House.

Hon. Truman M. Bodden: Mr. Speaker, I move that this Honourable House do rise to await His Excellency the Governor and re-assemble on his arrival to receive a gracious message from the Throne.

The Speaker: The question before the House is that the House do now rise to await the arrival of His Excellency the Governor and to receive a gracious message from the Throne.

I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it. The House is accordingly suspended.

AGREED: THAT THIS HOUSE DO RISE TO AWAIT HIS EXCELLENCY THE GOVERNOR AND RE-ASSEMBLE, ON HIS ARRIVAL, TO RECEIVE A GRACIOUS MESSAGE FROM THE THRONE.

THE HOUSE SUSPENDED AT 9.50 AM

**ARRIVAL OF HIS EXCELLENCY
THE GOVERNOR**

The Governor's ADC gave three knocks on the door.

The Serjeant-at-Arms: His Excellency the Governor.

Procession:

Serjeant-at-Arms

The Speaker

His Excellency the Governor

Mrs Owen

The ADC

The Clerk of the Legislative Assembly

The Deputy Clerk

His Excellency the Governor: Please be seated.

The Speaker: Your Excellency, I have pleasure in inviting you to address the Honourable House.

THE THRONE SPEECH DELIVERED BY HIS EXCELLENCY THE GOVERNOR MR. JOHN OWEN, MBE

Honourable Speaker, Honourable Members of the Legislative Assembly, it is with great honour and humility that I present the Throne Speech.

Cayman has graduated from being an offshore financial centre to one of the world's major international financial centres which competes for business with London, New York and Tokyo. Cayman has also set an example, not only to the Caribbean region, but to financial centres world wide, of a jurisdiction which is committed to the fight against dirty money. We hoisted this signal when we passed the Proceeds of Criminal Conduct Law. We have since reinforced this with the creation of a Monetary Authority which will strengthen our regulatory capability.

I am pleased that Cayman continues to enjoy success not only in financial services but also in tourism. A key factor in our success is the strong and constructive partnerships between the private and public sector. This partnership concept has extended to the review teams which have been set up as part of my Review of Public Services which includes both public and private sector appointees. I am grateful to all those civil servants and private sector individuals for their support for this important exercise, some of the results of which we will see this year.

But success brings with it challenges. One of our major challenges is maintaining our identity and sense of community. Whilst the financial institutions and tourism underpin our economy they do not underpin our society at its most fundamental level. This fundamental level is the sense of community which has existed since the days when Cayman was "the islands which time forgot".

Although a community needs money for support services, such as health, a sense of community does not need financial wealth. Many of our older citizens remember the days when they were financially worse off than they are now, yet were sustained in their sense of self worth by their position in their family or local community structure.

It is our job, in these rapidly changing times, to balance the most basic needs of the whole Caymanian community with those necessary modern day developments which go hand in hand with increased standards of living. So called progress is only true progress, if such developments do not conflict with the values which sustained our nation in the past. It is the job of every one of us, therefore, to achieve a balance, to move forward with that which will benefit Cayman in the future without compromising those values on which our proud heritage is built.

We are fortunate indeed to live in these Islands whose economy is the envy of the Caribbean and whose marine environment is unsurpassed. But we hold these Islands in trust for future generations. It is the future generations of Caymanians who will judge our stewardship. I hope that when they come to do so that, as in the parable of the talents, we will have earned the accolade "Well done thou good and faithful servant".

Let me now proceed to report on the intentions of the various Ministries, portfolios and departments.

THE JUDICIARY

The additional Court premises at Kirk House, will soon be brought into full operation. Legislative changes to improve the efficiency of the Courts will, subject to approval by Executive Council, be presented to this Honourable House. Legislation called for by the Constitutional requirement that the emoluments and allowances of a judge of the Grand Court shall be prescribed by law will also be presented. Existing ties with the Commonwealth Judicial Education Institute in Canada and the Judicial Studies Board in the United Kingdom will be developed with particular emphasis on the training of Justices of the Peace.

The recommendations of the Court Administration Consultant in particular the introduction of computer programmes, Court reporting systems and training of staff will be implemented.

The Consultant will continue to focus on reducing the waiting time for court appointments and decisions and modernisation of all administrative procedures.

THE CAYMAN ISLANDS AUDIT OFFICE

The goal of the Audit Office is to complete all audits and issue its opinions on the 1996 financial statements by 31st July, 1997. The Office proposes to charge fees for the 1996 audits of Statutory Authorities and other public sector bodies. The Office also continues its commitment to professional and technical training for Caymanians.

THE PORTFOLIO OF INTERNAL AND EXTERNAL AFFAIRS

The exercise of evaluating all jobs in the public service is nearly complete. I have however called for a comparative evaluation of posts in the public service with similar posts in the private sector. I have also appointed a Salary Review Committee to carry out a full scale salaries and allowances review for implementation on 1st January 1998. The review will also consider the question of performance pay.

If the three month trial of flexible working hours which has been introduced for some government departments is successful it will be introduced to all departments on an optional basis. This could go some way to helping reduce the traffic congestion at peak hours.

The Immigration Law, the Trade and Business Licensing Law and the Local Companies (Control) Law will be sent to a Select Committee for review during this meeting of the House. The Elections Law will also be subject to a review by a Select Committee.

THE ROYAL CAYMAN ISLANDS POLICE

The key objectives of the Royal Cayman Islands Police Service for 1997 are:

- a) To implement further proactive policing initiatives, including expansion of community policing, crime prevention, road safety and drink/driving campaigns.
- b) To commence construction of a combined Marine Base Station and Drugs Task Force Office.
- c) To provide suitable office and lock-up accommodation for the police on Little Cayman.
- d) Establish an efficient and reliable vehicle replacement system.
- e) Implement modern and efficient computer/communications systems.
- f) Establish and publish a 'Policing Charter' setting out standards and performance indicators for the Police Service.

PRISON DEPARTMENT

A new multipurpose building is to be added to the security block. This will reduce the need for maximum security prisoners to have access to other areas of the prison and will result in a higher level of security for these prisoners. An administration building is also proposed. It will partly serve as a visiting area for families coming to the prison. Three new classrooms are proposed to be added.

THE DEPARTMENT OF IMMIGRATION

The Immigration department will continue to concentrate its efforts on the efficient delivery of quality service to the public.

The introduction of the three shift system at Owen Roberts International Airport, aimed at speeding the processing of passengers, and reducing the amount of overtime paid, will continue to significantly improve the level of customer service in 1997.

The Immigration department is committed to providing quality, friendly and efficient service to the public.

BROADCASTING DEPARTMENT

The process of digitalising the station's commercial production and delivery, traffic and billing system will be completed in the first quarter of 1997.

Training will continue to be given a high priority. The transmitting system will also be further improved.

DISTRICT ADMINISTRATION

CAYMAN BRAC

The economic outlook for Cayman Brac in 1997 is encouraging. Land sales and development have been stimulated by government incentives. An increase in planning approvals holds a promise of full employment in the construction industry and new employment opportunities for 1997. This year should also see more new residents and visitors.

Strategies to diversify the economy and attract new business will be developed by the newly appointed Project Manager, and a marketing campaign will promote Cayman Brac as a high quality investment and residential destination.

The sinking of a Russian destroyer to create a new dive site has attracted international publicity, and indications are that the site will become a major tourist attraction in 1997.

LITTLE CAYMAN

Little Cayman should continue to draw visitors. Diving is still the chief attraction. Construction of a new dive resort is scheduled to begin early this year.

The second phase of Government's multi-purpose building will be completed this year, providing additional space and facilities for use as a hurricane shelter and for community activities.

PERSONNEL, TRAINING, MANAGEMENT AND COMPUTER SERVICES

In 1997 the Personnel and Training Department will provide management development programmes for senior managers, middle managers and supervisors.

In conjunction with the Community College training and education programmes will be provided to increase the number of Caymanians employed in the Clerical and Executive officer grades. The first course for potential Clerical officers has started. Ten participants will complete the programme in August and a second intake of ten will commence in September.

The integrated Financial and Human Resources Information System will be commissioned. This will increase the efficiency and effectiveness of all departments.

COMPUTER SERVICES

Major projects are planned for 1997. The full implementation of a government-wide internal Intranet is expected to go 'live'. A high speed link to the government network using new Laser technology is to be completed in early 1997. Additional high speed fibre optic upgrades or connections to 13 locations will also be introduced.

Departments who will introduce new PC applications this year include the Department of Tourism, General Registry, Lands & Survey and Legal. The analysis, design, and implementation of several major modules of

the Integrated Financial and Human Resources Information System package will also be completed by the end of this year.

THE LEGISLATIVE ASSEMBLY

A Register of Interests Law is now in effect and a Register of Interests Committee has been appointed. The Committee will consider matters referred to it by the Registrar of Interests who is the Clerk of the Legislative Assembly.

GOVERNMENT INFORMATION SERVICES

Government Information Services will continue to develop its desk-top publishing service and its weekly television show. It is proposed that the unit will be relocated this year, to enable it not only to operate more efficiently, but to reflect an image more appropriate to its role, particularly with regard to overseas media and other visitors.

THE PORTFOLIO OF LEGAL ADMINISTRATION

ATTORNEY GENERAL'S CHAMBERS

The Mutual Legal Assistance (1988 United Nations Convention) Bill has been drafted to enhance co-operation between signatories to the United Nations Convention in drug related matters. Further measures will be proposed during 1997 to extend the ways in which the Cayman Islands can both give and receive assistance in the area of international co-operation in law enforcement matters.

CAYMAN ISLANDS LAW SCHOOL

Five students should graduate from the Honours degree programme this year bringing the total number of degree graduates to 65. Approval will be sought for the construction of a purpose-built Law School at the Community College campus.

THE PORTFOLIO OF FINANCE AND ECONOMIC DEVELOPMENT

Objectives for 1997 include the establishment of the Public Service Pensions Fund on a self-sustaining basis, the presentation to this House of the new Customs and Excise Legislation and consolidated and amending legislation to cover Public Service Pensions, Merchant Shipping and Stamp Duty. A review of the Public Finance and Audit Law and the Financial and Stores Regulations will be carried out in 1997.

INTERNAL AUDIT UNIT

In 1997 the Internal Audit Unit will continue its independent appraisal of internal controls focusing mainly on

public service procurement practises and expenditure controls. The Unit will continue to encourage the professional training and development of its staff and develop a centre of expertise available for consultation in financial matters

PUBLIC SERVICE PENSIONS BOARD

The Pensions Board has contracted Watson Wyatt & Company to carry out an actuarial review of the Pensions Fund as well as other consulting services required by the Public Service Pensions Law Review Committee.

The Pensions Board plans to continue to develop its staffing structure, further diversify its investment portfolio by introducing equities and longer term debt, and continue to develop its computerised accounting and records systems.

GENERAL REGISTRY AND SHIPPING

In 1997 the restructuring of the department in particular the introduction of on-line private sector access to the publicly available information held at the Registry will further improve the department's ability to cope more effectively and efficiently with the increased level of business. During 1997 a review of Cayman's merchant shipping legislation will be completed.

TREASURY

The centralised Debt Collection Unit is currently recovering debts at the rate of \$400,000 per annum. The implementation in 1997 of the new Integrated Financial and Human Resources Information System, will greatly enhance the management of the Government's financial and human resources into the twenty-first century.

CUSTOMS

In 1997 Customs will lay greater emphasis on training and developing staff at all levels, particularly in areas such as commercial fraud and drug enforcement techniques.

A series of Risk Assessment courses will be held locally. These courses will equip officers with the skills to identify travellers who pose the greatest potential smuggling threat whilst allowing legitimate travellers to clear Customs more freely. The department aims to continue its co-operation with other law enforcement agencies and will remain vigilant in the area of prohibited imports such as illegal drugs and firearms. The department also anticipates the passage of a new Customs and Excise Law during 1997.

THE MONETARY AUTHORITY

The Monetary Authority, a statutory body incorporating the Financial Services Supervision Department and the Currency Board, came into being on 1 January 1997. This single body has the dual function of currency

management and related services and regulation of the financial industry. It is managed by a five-member board of directors appointed by Executive Council and chaired by the Financial Secretary.

The creation of the Authority is a further demonstration of our commitment to maintain the integrity and stature of Cayman as a leading international financial centre. By virtue of its level of independence and in particular the ability to attract and retain more professional staff, the Authority's regulatory resources will be significantly reinforced. The current staff complement of 26 is expected to increase to 40 by the end of the year, and the added personnel combined with other measures will ensure that Cayman's regulatory regime for financial services remains robust and on par with international standards.

THE CAYMAN ISLANDS STOCK EXCHANGE

The Exchange was specifically created to specialise in offshore securities listings and trading. Its development was a logical extension of the success of the Cayman Islands in developing other areas of the financial services sector. Establishment of the Stock Exchange means that the Cayman Islands can now offer all of the facilities of a leading offshore financial centre.

The Stock Exchange has recently admitted its first group of Listing Agents. With the admission of these Listing Agents the exchange is now in a position to begin accepting applications for the listing of securities.

MINISTRY OF TOURISM, COMMERCE AND TRANSPORT

DEPARTMENT OF TOURISM

A Cayman Brac Tourism Development Unit will be established within the Department of Tourism and a programme of activities which will further support land and cruise tourism efforts on that island will be developed. Training and development initiatives will continue within the public and private sectors and the wider community.

On the international front, work will continue to complete consumer research aimed at supporting further initiatives in the marketing of these Islands. Locally, the Ministry and Department of Tourism, together with their private sector partners, will continue to examine and develop initiatives to enhance the attractiveness of the Cayman Islands as a premier year round tourism destination.

FIRE SERVICE

The Cayman Islands Fire Service will continue to give priority to the training and development of staff, and maintaining and improving high standards of operational efficiency.

Subject to approved funding a number of new fire fighting and rescue vehicles will be purchased. These

will replace existing ones which are coming to the end of their useful life.

The Fire Brigade Law was amended during 1996, enabling the introduction in 1997 of a new Fire Code which will complement and work in tandem with the Cayman Islands Building Code, ensuring that necessary safety standards in new and existing buildings are maintained.

PORT AUTHORITY

The installation of permanent moorings for cruise ships in George Town should be completed in 1997.

To cope with the increasing volume of cargo imported into the islands the Authority will develop as extra container storage the 4 acres of land which it purchased in 1996 adjacent to the Cargo Distribution Centre. In addition, the Authority plans to increase the enclosed warehousing storage space to 20,000 square feet.

QUEEN ELIZABETH II BOTANIC PARK

The Heritage Garden with its early 20th Century Caymanian house that has been restored to its original condition and the Floral Garden will be completed in time for the official opening in early spring.

The Botanic Park is also developing educational classes and special events to increase the Park's role as a tourist destination, and as an educational and recreational site for the people of the Cayman Islands.

PEDRO ST. JAMES CASTLE

Restoration continues on the original building which is scheduled to be completed by late April, 1997. Visitors to the historic site will see the building as it appeared when constructed in the late 1700's.

The contract for the Visitors' Centre is out to tender with an anticipated ground breaking in May of this year. This facility will include a multi-media theatre which tells visitors about the history of Pedro St. James Castle and the social history of the Cayman Islands.

The recently established Tourism Attraction Board will ensure that Pedro St. James is run on a commercial basis and will oversee the effective marketing of the site as a major tourist attraction in the Cayman Islands.

TRANSPORT

The Report on tourism-related transportation will be given careful consideration by government with a view to determining which of its recommendations will be accepted and implemented and their priorities.

THE MINISTRY OF EDUCATION, AVIATION AND PLANNING

The Ministry of Education will continue with the implementation of the Five Year Strategic Plan for Education, and with the site-based plans being developed

for each of the fifteen government schools in the system. Three schools have completed their site-based plan, and two more schools have started to work on theirs.

The Schools Inspectorate will continue to monitor standards.

The new Lighthouse School will be a priority capital development project for 1997. Of equal importance is the provision of an administration block and hall for the Red Bay Primary School.

During 1997 plans will be drawn and construction begun for a new hall for the George Hicks High School. This will enable the present hall to be converted to a canteen. This work will complement the new art block, and the expansion of the present administration building. Also during this year, a sewage treatment plant will be installed to accommodate government schools on the Walkers Road site.

During 1997 property will be identified for a new primary school in West Bay. The present John A. Cumber School is almost to capacity, and government does not intend for this school to get much larger, however a new hall will be added to it. A new school will meet the demand for new primary places in this large district, well into the 21st Century.

In Cayman Brac, a new Teachers' Centre, postponed since last year, will be built at the Creek, and new classrooms will be added to the Creek Primary School. At the West End Primary School a new air-conditioned hall and canteen will be constructed on land adjacent to the school.

In 1997, Cayman will host the yearly Caribbean Examination Council meeting, and our teachers will benefit from the workshops in the different subject areas which are a part of this conference.

The University of North London has agreed to accept Community College associate degree students with advanced standing towards the bachelors degree at this institution, and discussions are continuing with other British universities. The University of the West Indies has begun its assessment of the science associate degrees for admission to their faculties of science, including medicine.

The Board of Governors has recently approved the start of the Post Graduate Certificate in Education (PGCE) in association with a British university, to commence in September 1997. Caymanian students with a first degree will then be able to become certified teachers locally, and will be able to do their supervised practice teaching in local schools.

This year scholarship grants will be made to the Community College, for associate degrees as well as to the Cayman Islands Law School. The development of a Careers Service which will assist young Caymanian professionals is an important part of a national training policy, and this will be one of the initiatives taken in 1997 between the Ministries of Community Development and Education.

AVIATION

A decision on the siting of the Little Cayman airport will be made during 1997. The new Airport will include a 3000 foot paved strip, for use with commuter aircraft, only during the daylight hours.

Birds on the airfields continue to be a problem and this will have to be addressed.

During the year the Civil Aviation Authority will complete the automatic weather system network for the three islands. Air traffic communications will be updated to enhance the safety of aircraft operating in the islands.

PLANNING

Following discussion with the various contractor associations, new legislation to regulate the construction industry will be proposed during the year. Similar legislation with respect to architects, surveyors and engineers will also be proposed.

The remaining stages of the Development Plan Review will be completed and the draft Development Plan brought to the Legislative Assembly.

Information on procedures and guidelines for all planning services will be published as a service to the public.

The Planning department will prepare a study of the existing and future requirements for recreational open space, public access to the beach and walking, jogging and bicycle paths. Area plans for each of the five electoral districts and Development Plans for both Cayman Brac and Little Cayman will be proposed. The department will continue to offer certification courses in conjunction with the Southern Building Code Congress.

CAYMAN AIRWAYS

The turnaround phase of the airline has almost been completed. In the coming year the Board will focus on strategies for growth, to make sure that the company is more market focused and to take the newly stabilised airline successfully into the next century.

To ensure that the airline's staff are trained to the highest industry standards, a training programme in management and customer service through the International Air Transport Association (IATA) will continue. So far almost 100 members of staff have been involved in this training.

MINISTRY OF AGRICULTURE, ENVIRONMENT, COMMUNICATIONS & WORKS

In 1997 the Ministry will focus on a medium and long term plan for public roads and the protection of our natural resources.

TELECOMMUNICATIONS

A dedicated radio link with the emergency services in the Sister Islands by way of the new fibre optic cable

that Cable & Wireless recently activated is planned for 1997. This will allow for an inter-island radio link which will add to our ability to communicate during times of disaster.

Cable & Wireless will also shortly commission the Cayman-Jamaica fibre optic cable making the latest telecommunications technology a part of our advanced infrastructure.

POSTAL SERVICES

A new facility, near the Airport, for bulk mail processing and the provision of approximately 2,000 post boxes is scheduled to become operational in mid 1997. Building plans include refurbishment and renovations to the General Post Office and Sub Post Offices at West End, Cayman Brac, Savannah, Bodden Town and West Bay.

LANDS & SURVEY

In 1997 as part of the wider Land Information System, work on a fully electronic Land Registry will continue.

PUBLIC WORKS

The major capital projects that are in the construction stage during 1997 are the Cayman Islands Health Services Complex; the Central Police Station cell block; George Hicks High School art block & administration building; the West Bay, East End & North Side District Health Centre's and various district playfield projects. Offices for the Department of Agriculture at Lower Valley are expected to be at the construction stage later in the year.

Road maintenance will focus on the backlog of road surfaces that are at, or near, the end of their original service life.

Work will continue on the Harquail Bypass. Preliminary plans are also being prepared for the Crewe Road Bypass. Additionally, the uncompleted road works from the 1996 supplementary approvals will be completed during the first part of 1997.

DEPARTMENT OF AGRICULTURE

The new agriculture office building and slaughtering facility will be commenced at the Lower Valley site in 1997.

The department will continue to provide services to local farmers and the public, including advice and assistance in crop and livestock production, the sale of agricultural produce, emergency after hours veterinary service and control of straying animals.

DEPARTMENT OF ENVIRONMENT

A new initiative to develop a geographic information system for environmental assessment, monitoring and oil spill response will be started in 1997. Following on from the recent successful testing of the Grand Cayman Oil Spill Contingency Plan at the end of February, the

department plans to finalise the Sister Islands' Contingency Plan, train initial responders and managers and conduct a Sister Islands Table Top Exercise during the year.

MOSQUITO RESEARCH & CONTROL UNIT

A key goal for 1997 is the location of a suitable site to house the operations of the department. In 1997 the department will give priority to the re-establishment of an Island wide inspection programme for mosquito larvae. Sites that support mosquito production will be either treated with chemicals or modified with physical control.

ENVIRONMENTAL HEALTH

During 1997, the department will focus on the development of research and monitoring programmes in a number of areas, such as ambient air quality, ground water, hazardous agricultural chemicals and household waste, noise levels and energy efficiency.

Improvements to the George Town land fill will continue. A waste drop-off point will be completed at the main entrance. The separation and weighing of all incoming waste will be done to help improve the management and utilisation of space at the landfill. It is hoped that a new landfill site can be purchased on Cayman Brac and that this facility can become operational this year. Phase 2 of the solid waste development programme on Little Cayman will also be undertaken this year.

VEHICLE & EQUIPMENT SERVICES

The new computerised fleet management system is scheduled to become operational by June, 1997, which will improve efficiency and effectiveness of the departments' operations.

MINISTRY OF HEALTH, DRUG ABUSE PREVENTION AND REHABILITATION

HEALTH INSURANCE

Following extensive consultation with the community a revised Bill for a Law Relating to the Provision of Health Insurance along with Health Insurance Regulations, will be presented to the Legislative Assembly for approval in June 1997.

HEALTH PRACTITIONERS' LAW

A revised Health Practitioners' Law will be presented to the Legislative Assembly for approval in June 1997.

HEALTH SERVICES

New and Improved Facilities

Construction of the New Cayman Islands Health Services Complex will continue in 1997. By the end of the year, facilities to accommodate the diagnostic services and some of the in-patient and out-patient units will be completed and commissioned. The building to accommodate the Morgue, Hyperbaric Chamber, Forensic Laboratory and the Mechanical/Electrical services will be completed in the first quarter of 1997 and occupied in the second quarter of 1997. The building to accommodate Mental Health (out-patient), and Physiotherapy is scheduled for completion in the second quarter of 1997 and occupation in the third quarter of 1997. The building to accommodate the Operating Theatres, Medical Laboratory, Maternity and Paediatrics is also due to be completed in the second quarter of 1997 with occupancy taking place late in the third quarter of 1997.

The New Health Services Complex, will significantly improve health care services to the community.

Construction work has already started on new health centres in East End, North Side and West Bay. Completion dates for the health centres are scheduled for the second quarter of 1997.

Further telemedicine projects will be introduced in 1997 to add to the teleradiology services introduced in 1996.

Mental Health Services

The 1996 Mental Health Consultant's review of our Mental Health Services will contribute to the long term planning needs for Mental Health Services in the Cayman Islands.

Public Health Services

A district family practice service will be implemented. Each District Health Centre will be assigned a fully qualified family physician. Doctors' clinics at each District Health Centre will be increased.

Emphasis will continue to be placed on health promotion activities with the aim of preventing the potentially damaging effects of diseases brought on by particular kinds of life styles.

The health services provided in Little Cayman will be enhanced with increased visits by doctors and nurses.

Dental Services

With the assistance of the Rotary Club of Grand Cayman, the school Dental Health Programme will be enhanced through the purchase of a new mobile dental van. Implementation of recommendations arising from the Oral Health consultancy carried out under the auspices of Pan American Health Organisation is ongoing.

Quality Assurance

A Quality Assurance Programme has been implemented with the establishment of Quality Assurance Teams in all sections of the hospital.

Strategic Plan for Health

The Strategic Plan for the Health Services will be tabled in the Legislative Assembly in June.

DRUG ABUSE PREVENTION AND REHABILITATION

CAYMAN COUNSELLING CENTRE

Cayman Counselling Centre will be focusing on the direct delivery of alcohol and drug rehabilitation services to the people of the Cayman Islands. This will be done through the design of new programmes and the re-directing of existing programmes to take these services to the clients whenever possible. This includes bringing residential treatment to the Cayman Islands.

NATIONAL DRUG COUNCIL SECRETARIAT

The Drug Secretariat will step up the implementation of the Strategic Plan for Drug Abuse Prevention and Rehabilitation. Some key objectives of this plan are:

- 1) the establishment of an Information Centre within the Secretariat;
- 2) the staging of a logo/slogan competition and the production of brochures intended to raise the public's awareness of the National Drug Council's work, and to harness the support and involvement of the public;
- 3) the wide spread promotion of alternative healthy life-style practices through the staging of a week of drug free sporting, fitness, drama and youth activities;
- 4) the production of a directory of service agencies to facilitate coordination and collaboration among such agencies; and
- 5) the holding of a number of educational workshops intended to raise the level of competence of community leaders in drug abuse prevention matters.

The drug menace is already upon us and the Ministry intends to play its part in intensifying and expanding prevention and rehabilitation efforts.

MINISTRY OF COMMUNITY DEVELOPMENT, SPORTS, WOMEN'S AFFAIRS, YOUTH & CULTURE

ART DEVELOPMENT

Following the recommendations of the National Gallery Task Force, the drafting of Articles of Association of the National Gallery and Art Institute will commence in the immediate future. A Board will be appointed, and it is proposed that my wife will be the first chairman. The National Gallery will incorporate an Art Institute for the purpose of teaching art and running related programmes. The building will be designed by an architect chosen by competition. Fund-raising for the project will start soon.

COMMUNITY DEVELOPMENT

The Ministry will continue to focus on encouraging, funding and co-ordinating resources within government and in the wider community with the objective of creating a partnership amongst all groups and organisations who have an interest in improving community life. The Ministry will also continue to promote healthy family life focusing especially on parenting issues and community participation in activities.

Monthly financial assistance will continue to the elderly, handicapped and disabled persons, ex-servicemen and former seamen locally and overseas. Drafting instructions are currently being developed for a law to cover both of these benefits.

CAYMAN NATIONAL CULTURAL FOUNDATION

The National Cultural Foundation will continue to promote cultural activities and to assist cultural groups throughout the Cayman Islands. One highlight of its 1997 calendar will be the production of the 2nd Annual Cayman Islands Festival of the Arts, "Cayfest", in September. Among the Foundation's ongoing arts training programmes will be Young at Arts for talented youth and workshops in the disciplines of play and poetry writing, sculpting, painting and ceramics. Four stage productions are planned to take place during the year. 1997 will also see the commencement of an art lecture series and the initial phase of the acquisition of the paintings of Gladwyn "Miss Lassie" Bush for the people of the Cayman Islands.

NATIONAL MUSEUM

The National Museum will offer displays of Cayman artwork and exhibitions. The museum will also take its exhibits and lectures to each of the districts as well as the Sister Islands. Utilising a grant from the United Nations Development Programme, a comprehensive five-year Master Plan will be created to guide the National Museum's growth and development into the new century.

NATIONAL ARCHIVE

The project to prepare a new history of the Cayman Islands will begin in 1997 with the recruitment of a noted scholar of Caribbean History.

PUBLIC LIBRARY

This year the new libraries in North Side, East End and Bodden Town will be opened. The Ministry was unable to convert the West Bay Town Hall to a district library as it is still a vital hurricane shelter but when the West Bay Civic Centre is completed the conversion of the Town Hall to a library will go ahead. With the growing technology and need of library services there is a need for a new Cayman Islands Public Library. This year we will identify suitable land and design plans for this new facility.

NATIONAL PENSIONS LEGISLATION

The National Pensions Law is expected to come into force in July, with a 6-month grace period, after which all employers should be in compliance with the Law (that is they should be enrolled in an Approved Pension Plan). Regulations to the Law are expected to be presented to the Legislative Assembly in the June meeting in order to be affirmed as required under the Law.

HOUSING DEVELOPMENT CORPORATION (HDC) AND THE AGRICULTURE & INDUSTRIAL DEVELOPMENT BOARD (AIDB)

HDC - AFFORDABLE HOME OWNERSHIP

Government's Guaranteed Home Mortgage Scheme has been in existence since August 1994. It has achieved a respectable level of success in providing Home Mortgage funding for low to middle income Caymanians with approximately 150 applications already processed - many of whom are now new (and in most cases first-time) homeowners.

AIDB-Agriculture & Industrial Development Board

As a result of the strong demand for loans under the Government Guaranteed Student Loan Scheme, the C.I.\$1.75M which was made available as the initial allocation from the seven participating Banks was almost fully committed within the first eighteen months of operation of the Scheme.

HUMAN RESOURCE DEVELOPMENT

In 1997, the Ministry (together with the Personnel Department and the Budget & Management Unit) will complete the re-structuring of the Department of Human Resources. The Department will then be able to more effectively serve the public in labour relations and human resource development.

The Department will consist of 4 Units:

- Secretariat for the new Labour Relations Board & Labour Tribunals;
- Labour Relations and Conflict mediation;
- Career Development, Training & Productivity;
- Inspectorate & Superintendent of Pensions.

There will be close co-ordination between the staff of the four Units.

LABOUR RELATIONS

In 1997 the Department of Human Resources will launch an Apprenticeship Scheme, a Reintegration and Job Placement programme geared to reintegrate ex-offenders of Northward Prison into mainstream society, the improvement of the general Unemployment Register and Job Referral service, and the preparation of entry-level employees for the world of work.

The Department will also co-ordinate the work of the Minimum Wage Advisory Committee, which will issue its report this year.

SOCIAL SERVICES

1. The Children's Law

The Children's Law 1995 will come into effect by September this year. In preparation for its implementation, three Social Workers will spend a three week attachment to the Children's Bureau in the United Kingdom where they will undergo training. The Children's Law is partner to the Youth Justice Law which came into effect in 1996. It is the result of a comprehensive review of the need to protect children and to promote their welfare.

2. Restructuring of the Social Services Department

As part of the Family Study, a management consultant is restructuring the Social Services Department. Selected job descriptions have already been re-written and work is currently being carried out on the establishment of a Probation and After Care Unit to be based in the Social Services Department. The Consultant is also working on the staffing requirements of the Residential Care Homes.

The Social Services department will continue its clinical work with vulnerable individuals, families and communities so that they can function effectively in society.

SPORTS

Sports will focus on the strengthening of the skills of all athletes and volunteers, particularly those who serve in leadership capacities on the various associations. Work will continue on the development plans for each association, focusing on the availability and use of facilities, management of the association's financial and public relations affairs, and the further attraction and devel-

opment of youngsters to participate in the sport of their choice.

WATER AUTHORITY

The Water Authority will continue to expand its service network during 1997. The Breakers Water Supply Extension which commenced in August of last year will be completed in April 1997 and will provide piped water up to the Frank Sound Road Junction. It is intended to extend piped water to East End as well as in Cayman Brac.

Tender documents were sent out to three pre-qualified contractors in January for the supply and operation of a water production plant to be constructed at the Authority's Lower Valley Reservoir Site. It is planned that the new plant, which will have a daily production capacity of 400,000 gallons, will be operational in January 1998.

The Water Authority is preparing a feasibility study and preliminary design for extending the public sewerage system into the Governor's Harbour and Governor's Sound developments on the West Bay Road. These areas are now served by a private sewerage system which is in a state of disrepair. Construction of this project could start as early as the first quarter of 1998.

The Water Authority has contracted with government to design a centralised sewage collection and treatment system for the Walkers Road government schools, Community College, and Truman Bodden Sports Complex. The supply and installation of the 30,000 gallon per day sewage treatment unit is expected to go out to public tender in the first quarter of this year; it is planned that the system will be constructed during the summer school recess in order to avoid any potential disturbance of classes.

The Authority will relocate its main office in late 1997 from the Tower Building, to its new office building on Red Gate Road.

WOMEN'S AFFAIRS

In the coming year the Ministry will continue with its programme of public awareness and education in issues of relevance to the improvement of the status of women in the Cayman Islands.

The Ministry will also further implement and maintain a Women's Resource Centre located in Elizabethan Square.

CRISIS CENTRE

The Ministry will continue to encourage and support the Social Services Department in developing a project document for a crisis centre which, when established as a place of safety, will provide a comprehensive support system for victims of domestic abuse.

YOUTH AFFAIRS

There will be an expansion of interest on Youth and a National Youth Policy will be developed. Youth Worker Grants will continue to be given to Churches in need of this support and After-School programmes will be supported and encouraged. Youth Development Grants will be given to organisations and groups with the potential to develop and maintain programmes to improve the quality of life of our youth.

Honourable Members, as I conclude my second Speech from the Throne, I should like to record my thanks and congratulations to the Members and Officials who provided the material to assist me in the preparation of this speech. The level and quality of work produced by the Civil Service is first class. They are an asset to the country.

Finally, as you embark on the first meeting of the new Session of the Legislative Assembly, I wish you God's Blessing in your deliberations and debates. And I pray that Almighty God in his mercy and wisdom will continue to bless and guide the people of these islands and all who serve them.

DEPARTURE OF HIS EXCELLENCY THE GOVERNOR

Serjeant-at-Arms (Mace bearer)

The Speaker

His Excellency the Governor

Mrs. Owen

Chief Justice

Mrs. Harre

ADC

Minister

THE HOUSE RESUMED AT 11.02 AM

The Speaker: Please be seated.

The Honourable Minister for Agriculture, Environment, Communications and Works.

MOTION FOR THE DEFERRAL OF DEBATE ON THE THRONE SPEECH

Hon. John B. McLean: Thank you, Mr. Speaker. I am pleased to move the following Motion:

"BE IT RESOLVED THAT this Honourable Legislative Assembly records its grateful thanks to His Excellency the Governor for the Address delivered at this Meeting;

"BE IT FURTHER RESOLVED THAT debate on the Address delivered by His Excellency the Governor be deferred until Friday, 14th March, 1997."

The Speaker: The question before the House is that the House do record its gratitude to His Excellency the Governor, and that the debate on the Throne Speech be deferred until Friday, 14th March, 1997.

If there is no debate, I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. THAT THIS HONOURABLE LEGISLATIVE ASSEMBLY RECORD ITS GRATEFUL THANKS TO HIS EXCELLENCY THE GOVERNOR FOR THE ADDRESS DELIVERED AT THIS MEETING;

AND BE IT FURTHER RESOLVED THAT DEBATE ON THE DELIVERY BY HIS EXCELLENCY THE GOVERNOR BE DEFERRED UNTIL FRIDAY, 14TH MARCH, 1997.

The Speaker: The Honourable Minister responsible for Education, Aviation and Planning.

GOVERNMENT BUSINESS

Hon. Truman M. Boddén: I move that the Presentation of the Draft Estimates of the Government for the year 1997, together with the First and Second Readings of the Appropriation Bill, 1997, be deferred until Wednesday, the 12th of March, 1997.

The Speaker: The question is that the Draft Estimates of the Government for the year 1997, together with the First and Second Readings of the Appropriation Bill, 1997, be deferred until Wednesday, the 12th of March, 1997. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: THE PRESENTATION OF THE DRAFT ESTIMATES OF THE GOVERNMENT FOR THE YEAR 1997, TOGETHER WITH THE FIRST AND SECOND READINGS OF THE APPROPRIATION BILL, 1997, DEFERRED UNTIL WEDNESDAY, THE 12TH OF MARCH, 1997.

The Speaker: I now call for a motion for the adjournment. The Honourable Minister for Education, Aviation and Planning.

ADJOURNMENT

Hon. Truman M. Boddén: I move the adjournment of this Honourable House until 10 o'clock Wednesday, 12th March, 1997.

The Speaker: The question is that this Honourable House do now adjourn until 10 o'clock Wednesday morning, 12th March, 1997.

If there is no debate I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned until Wednesday morning, 12th March, 1997, at 10 o'clock.

AT 11.06 AM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM WEDNESDAY, 12TH MARCH, 1997.

EDITED
WEDNESDAY
12TH MARCH, 1997
10.19 AM

The Speaker: I will ask the Honourable Minister for Education, Aviation and Planning to say Prayers.

PRAYERS

Hon. Truman M. Bodden: Let us Pray.

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

Bless our Sovereign Lady Queen Elizabeth II, the Queen Mother, Philip Duke of Edinburgh, Charles Prince of Wales and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings in the Legislative Assembly are resumed. Messages and Announcements by the Speaker.

READING BY THE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

The Speaker: Monday, the 10th of March, was Commonwealth Day throughout the Commonwealth. The Presidents of Commonwealth Parliamentary Associations took the opportunity to read the Commonwealth Day Message in their Legislatures. Unfortunately, this Legislature did not sit on Monday. Therefore, I shall now read the Commonwealth Day Message.

COMMONWEALTH DAY MESSAGE 1997

**From Her Majesty the Queen
 Head of the Commonwealth**

(Read by the Speaker)

"The Commonwealth Day theme this year is 'Talking to One Another.' It is a fitting choice, because 1997 is a year when more people than ever before in the Commonwealth will have the opportunity to communicate with each other.

"Modern travel has made it easy to meet and talk face-to-face. Many from throughout the Commonwealth will take advantage of this in 1997 for sports tours, youth exchanges, science conventions, and other gatherings. Here in Britain, for instance, the city of Edinburgh will be host to the biennial Commonwealth Heads of Government Meeting later this year. At the same time, Commonwealth non-Governmental organisations will be meeting there. So Commonwealth people will be getting together at all levels to exchange ideas.

"But improved and easier travel is only one development. Recent advances in communications technology now enable us to talk to each other and to see each other without even needing to leave home. The Commonwealth uses this sort of technology for its distance education programme, especially through the Commonwealth of Learning based in Vancouver. Through communications like these, the barriers of distance can be removed and we can talk together, almost as if the whole Commonwealth was in one room. Many years ago, my grandfather first spoke to the Commonwealth by radio. Today my message is speeding its way around the world by radio and, for the first time, on the Internet.

"Of course, having more ways of communicating and faster ways of doing so does not necessarily mean that we understand each other better. Technical advances do not automatically bring improvements. 'Talking to One Another' is not a one-way process: we can explain our own points of view but we should also listen to the views of others. Commonwealth countries have an advantage in doing this because we have shared views of right and wrong, and because we use the common language of English. This makes it all the easier to listen, to exchange knowledge, and to share opinions and feelings with others whose daily lives may be very different from our own.

"When we talk to one another, we can meet together in one place or we can use technology to hold discussions across the world. Whichever way we choose to communicate, the important point is that we keep talking and keep listening. By doing so, we ensure that the Commonwealth continues to grow as an informed and open-minded community of nations."

THE SPEAKER'S RESPONSIBILITIES

The Speaker: Honourable Members and Ministers, I crave your indulgence this morning to make a statement as Speaker of this Honourable Legislative Assembly.

First, let me humbly thank each of you my fellow Members for electing me to this high office. I also wish to thank the registered voters of the Elected District of Cayman Brac and Little Cayman for the confidence they have placed in me and having elected me as one of their representatives in the last five general elections (1980 - 1996).

I feel it is my duty to say that as an Elected Member of this Legislative Assembly, and having been subsequently elected Speaker has imposed on me dual responsibilities but responsibilities that are clearly and separately defined.

The responsibilities of the Speaker go back in Parliamentary history over 700 years (1288). In 1642 Speaker Lenthell said to King Charles I, "I have neither eyes to see nor tongue to speak in this place but as the House is pleased to direct me whose servant I am here." It is on such a foundation and in the firm belief that those who are called upon to be Speakers of Assemblies take the Chair. They are the servants of their House and of no other group or body. As Speaker I take the responsibility very seriously and I shall be as impartial as is humanly possible. I crave the support of each Member and I pray that Almighty God will give me the wisdom to do a proper job of upholding the dignity and respect that the position deserves.

As the Second Elected Member for Cayman Brac and Little Cayman, I also take that responsibility seriously and shall perform my duties to my constituents as set down in our Constitution, the Standing Orders of the Legislative Assembly and the Elections Law. I have done much research and I am satisfied that I can continue to represent the electoral district of Cayman Brac and Little Cayman without jeopardising or bringing the office of Speaker into disrepute. To my constituents: I respect you all and give you my assurance that I will continue to give you the best representation I am able to give. You will not be neglected nor do I intend to neglect the high office of Speaker.

The Speaker represents the House. He represents the dignity of the House, the freedom of the House and because the House represents the nation in a particular way, the Speaker becomes the symbol of the nation's freedom and liberty. Therefore it is right that that should be an honoured position, a free position and should be occupied always by an individual of outstanding integrity, ability and impartiality.

While commenting on the duties and responsibilities of the Speaker and his relation with the Legislative Assembly, I should make the following observations:

The fundamental principles that the Legislative Assembly is subject to provisions of our Constitution, is sovereign in the matter of its own rules of procedure and conduct of business, hence, whatever powers have been conferred on him by our Constitution or Standing Orders

are intended to serve one purpose, and that is that the Legislative Assembly should be enabled to function at all times in the interest of the Country and the powers conferred on the Speaker should be used by him in the interest of the Legislative Assembly.

The principal duty of the Speaker is to regulate the proceedings of the Legislative Assembly and to enable its members to deliberate on and decide the various matters coming before it in an orderly fashion giving respect to the Chair and fellow Members at all times. Thus in considering the various notices or points raised before him, the Speaker should always bear this in mind, and when in doubt should act in favour of giving an opportunity to the Assembly to express itself.

The Speaker should not so conceive his duties or interpret his powers as to act independently of the Assembly, or to over-ride its authority or to nullify its decisions. The Speaker is a part of the Legislative Assembly drawing his powers from the Legislative Assembly for the better functioning of the Legislative Assembly and in the ultimate analysis is a servant of the House, not its master.

After having said all of that, I think I have answered the question which has been asked since my appointment as Speaker, and that is, "Can a Member who has been playing a political role outside this Legislative Assembly also perform satisfactorily as a Speaker?" If I was asked to write the job description of the Speaker I would probably write down the following: "A mature person of a very high calibre imbued with dignity, diplomacy, integrity, respect, patience, resolute, tolerance, impartiality, flexibility, humour, a sense of fair play and a good deal of common sense."

To try to find a person who meets this job description, is almost impossible and, indeed, he would be next to an angel. However, if he can display some of these qualities at the appropriate time and in accordance with the mood of the Legislative Assembly in a given situation, I believe he can do it, irrespective of his political activities. After all, the main task of a Speaker in the Parliament is to ensure that this high institution discharges its responsibilities as expected of it and is given the full respect that it deserves.

When a general election is over, every elected Member should put aside their differences and together face the task of nation building. It is the responsibility of Parliament, or this Legislative Assembly, under the guidance of the Speaker, to facilitate the task of nation building as smoothly as possible.

May I assure this honourable House that the Chair intends to show favour to none but will show respect to all Honourable Members and expects that each Member will do likewise.

Thank you.

PRESENTATION OF PAPERS AND REPORTS

The Speaker: Presentation of Papers and Reports. The Draft Estimates of Revenue and Expenditure of the Cayman Islands Government for the year 1997.

The Honourable Third Official Member responsible for Finance and Development.

THE DRAFT ESTIMATES OF REVENUE AND EXPENDITURE OF THE CAYMAN ISLANDS GOVERNMENT FOR THE YEAR 1997

Hon. George A. McCarthy: Thank you, Mr. Speaker. I beg to lay upon the Table of this Honourable House the Draft Estimates of Revenue and Expenditure of the Cayman Islands Government for the year 1997.

The Speaker: So ordered.
Government Business, Bills. First Readings.

GOVERNMENT BUSINESS

BILLS

FIRST READING

THE APPROPRIATION BILL, 1997

Clerk: The Appropriation Bill, 1997.

The Speaker: Bills, Second Reading.

SECOND READING

THE APPROPRIATION BILL, 1997

Clerk: The Appropriation Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: Mr Speaker, I should mention that Members of the Legislative Assembly can be provided with copies of the Budget Address. These will be handed out now, but I should mention that one or two of the pages contained a few discrepancies. The corrected pages will be handed out during the course of the presentation, if not, the entire document will be substituted. I am hoping that the amended pages will be presented to the House before I get to the section dealing with Fiscal Issues.

THE BUDGET ADDRESS

**DELIVERED BY
THE HON. GEORGE A. McCARTHY, O.B.E., J.P.**

Mr Speaker, in recent years the Cayman Islands has sustained a healthy rate of economic growth which, in turn, has allowed its people to enjoy one of the highest

standards of living in the region. This has been achieved through careful planning, deliberate policy measures and the building and nurturing of a foundation of social harmony. All these, Mr Speaker, have helped us to firmly anchor the twin pillars of our economy: tourism and finance.

While these achievements are indeed, laudable, we should not allow ourselves to become complacent. As we look towards the twenty-first century, we should continue to harness our collective abilities and work together to advance the economic and social well-being of the people of the Cayman Islands.

In the 15 months since the last Budget Address, many new challenges have arisen and we have had to position ourselves to take advantage of new and emerging opportunities. I am pleased to report that the Government, in cooperation with the private sector, has acted swiftly and decisively in this respect.

During the past few months, key initiatives have been implemented such as the setting up of the Cayman Islands Stock Exchange, the creation of a Monetary Authority and Government's adoption of a range of economic and social policies.

On January 2, 1997, the Cayman Islands Stock Exchange formally opened its doors for business to the local and international financial community. This is, indeed, a remarkable achievement and should be a source of pride to the people of the Cayman Islands.

The Stock Exchange is a strategic development of the financial services sector which not only fits very well with our existing service offerings, but positions us advantageously for the future. The Exchange has particular synergy with the mutual fund and structured financing sub-sectors, and in fact, the Exchange's Listing Rules have been tailored to facilitate the listing of the securities of those entities.

The Exchange will also be of benefit to the domestic financial sector, as qualified local firms in particular, will have opportunities not previously available to them, to issue debt securities and equity securities on the Exchange.

The Stock Exchange recently admitted its first set of listing agents. This will allow it to begin accepting applications for the listing of securities. Among the listing agents are several of Cayman's leading legal and accounting firms, banks and mutual fund administrators. The Exchange is also currently reviewing applications from potential broker members, the first intake of these being scheduled for admittance by the end of March.

I would like to acknowledge the unstinting support of the private sector in making this venture a reality. Several individuals in the financial community have worked tirelessly on this project from its very inception and are continuing to do so to ensure that the Stock Exchange realises its full potential. I should also list among these individuals the Assistant Financial Secretary. She has done a fantastic job in co-ordinating the efforts of the private sector in order to ensure that the Stock Exchange became a reality. It is clear that this model of Government-private sector partnership is central to the success of our finan-

cial industry and it is one on which we shall continue to rely in the future.

Mr Speaker, efficiency is an important element in maintaining a competitive edge in the financial industry. With this in mind, the Government established the Cayman Islands Monetary Authority which brings under one umbrella the functions of the Financial Services Department and the Currency Board. The Authority represents a timely maturation of our financial services regulatory regime and will help to ensure that the Cayman Islands continues to meet and discharge effectively the responsibilities of a top-ranking, reputable jurisdiction.

It is important to recognise that as an institution, the Monetary Authority will have a favourable impact on the financial industry well into the 21st century. Being an autonomous organisation, the Authority will now be able to retain and compete with the private sector for staff of the highest calibre. A competent and highly-skilled staff will undoubtedly help to strengthen the Cayman Islands' regulatory regime for financial services and ensure that it remains on par with international standards.

Other initiatives to strengthen the financial sector have involved improvements to existing legislation to ensure that it keeps pace with international developments.

In 1996, Government, along with private sector officials, undertook a comprehensive review of the Companies Management Law, 1984. As a result of this, a new law is being considered to bring Companies Management legislation in line with that of the rest of the financial industry. Reviews of the Insurance Law (1995 Revision) and the Mutual Funds Law, 1993, were also conducted.

The Cayman Islands continues to show its commitment to keeping its financial centre free of commercial crime. In October 1996 the Cayman Islands Government was one of the Caribbean countries which signed a Memorandum of Understanding formalising the establishment of the Caribbean Financial Action Task Force, commonly referred to by its acronym CFATF.

The CFATF was set up to develop policies and establish urgent and effective action aimed at combating money laundering in the Caribbean. You will recall, Mr Speaker, that the Cayman Islands was the first to offer itself for a mutual evaluation by members of the CFATF. I am pleased to report that the evaluation concluded that the Cayman Islands was taking all the necessary steps to detect and deter commercial crime.

Mr Speaker, recognising its leadership position within the global financial community, the Cayman Islands sponsored an inaugural Commercial Crime Prevention Conference on 8-10 January of this year. The main focus of the Conference was to sensitise the financial community to the increasingly sophisticated methods used for commercial crime and money laundering and how to detect these.

The Conference was attended by over 150 persons, and included participants from the local, regional and international financial community, as well as members of the Caribbean Financial Action Task Force. This Conference was very successful and received excellent reviews from those who attended. The Cayman Islands Govern-

ment was praised highly for the timely organisation of a Conference that would undoubtedly benefit all those involved in the fight against money laundering.

During the latter part of 1996, the Cayman Islands was chosen as a site for a number of conferences. "The Fifth Annual International Forum on Offshore Funds" was held in October; and the International Business Conference's "International Winter Forum on Offshore Funds" as well as "The Health Care Sponsored Captives Conference" were convened in December.

Mr Speaker, allow me to update you on another important set of initiatives taken in recent months aimed at exploiting more fully the resources of the Sister Islands.

In mid-1996 Government set up a committee called the "Cayman Brac and Little Cayman Economic Development Committee" to help further economic development on these islands.

Special incentives were introduced to stimulate investment in Cayman Brac. The Government removed all import duties on some building materials and stamp duty for some land transfers; and Cayman National Bank offered lower interest rates on loans to potential investors. These incentives gave a boost to the real estate market in the Brac, and in 1996 numerous applications were received for residential and commercial development. In addition, a Project Manager has been appointed to help identify investment opportunities and further stimulate development.

Mr Speaker, we are well aware that development of our islands involves progress on both economic and social fronts. Economic development in the Cayman Islands has advanced at quite a rapid rate over the past two decades. However, social development has not kept pace. Recognising the need to redress this imbalance, Government has, in recent years, implemented several new programmes aimed at raising the level of social development in these islands.

In July 1996, regulations governing the National Pensions Law were passed; and Health Insurance Regulations are currently being prepared. These major initiatives will go a long way to ensure the social well-being of our people as we move into the twenty first century. Government recognises the need for preservation of social harmony in the Cayman Islands and it is committed to channelling resources to ensure that the society maintains a high level of social development.

Mr Speaker, I shall now turn to a review of the world economy in 1996 and describe the outlook for 1997. This will be followed by a discussion of the 1996 performance of the local economy. I shall then move on to the revenue and expenditure performance of the Government sector in 1996; and finally I shall present the Draft Estimates of Revenue and Expenditure for 1997.

THE WORLD ECONOMY

Mr Speaker, in 1996 economic and financial conditions continued to be favourable in the world economy. Global output grew by an estimated 3.8 per cent, com-

pared to 3.5 per cent growth in the previous year. Among the industrial countries Japan, the United States and the United Kingdom performed well, but growth stagnated in several Western European countries.

Growth in the Cayman Islands is closely linked to growth in the US economy. The year 1995 witnessed a slowdown in US growth to 2.1 per cent. It is generally felt that this was needed to reduce the risk of overheating following the strong performance of 1994. In 1996, however, activity picked up again and the economy grew by 2.3 per cent, reflecting a high rate of resource utilisation.

The Japanese economy also slowed down in 1995 but recovered quickly in 1996 with a growth rate of 3.7 per cent. A package of supportive monetary and fiscal policies by the Japanese Government helped with the difficulties in the banking sector and to correct the excessive appreciation of the yen.

The performance in several European countries was disappointing in 1996, with the main exception being the United Kingdom economy which grew by an estimated 2.4 per cent. Growth in France, Germany and Italy slowed considerably to just over one per cent.

In the developing world, growth was quite impressive—an average of 6 per cent. This occurred despite the marked slowdown in Latin America in the wake of the Mexican financial crisis. Strong macroeconomic fundamentals and continuing large capital inflows helped to boost domestic exports in many of the emerging market economies.

It is heartening to report that in 1996 inflation in the industrial countries remained subdued and monetary conditions have generally eased. Consumer prices rose by a mere 2.3 per cent and long-term interest rates remained well below their levels in 1995. These trends are indeed a positive sign for the world economy. Compared to 1996, most regions are expected to achieve higher levels of growth in 1997. In Europe, stronger rates of growth are predicted as the deadline for Economic and Monetary Union approaches and countries shift towards tighter budgetary policies and easier monetary conditions.

The US economy is expected to grow by a faster rate of 2.5 per cent, and the developing countries as a whole are expected to grow by 6.2 per cent, with growth predictions in Latin America and the Caribbean of 4.0 per cent. Overall, then, economic activity is expected to be stronger in 1997, with a forecast global economic growth rate of 4.1 per cent.

THE DOMESTIC ECONOMY

In 1996 the Cayman Islands registered a healthy growth of 5.5 per cent. Our main industries—finance and tourism—performed well and other industries such as construction, commercial activity and real estate also prospered. Our relatively good performance was also reflected in a low inflation rate. Inflation, which reached as high as 8.0 per cent five years ago, dropped to just 2.1 per cent in 1996.

Mr Speaker, I will now take a look at the performance of the main sectors of the economy.

FINANCIAL AND BUSINESS SERVICES

In 1996 the Cayman Islands continued to maintain its position as one of the world's top financial centres. This is, indeed, a salutary tribute to those involved in the success of the financial industry—the Government as well as the private sector.

Each year new jurisdictions are being created and existing ones constantly seek new and improved ways of conducting business. Maintaining a sound and reputable position in the global financial services arena is a great achievement at a time when competition is fierce worldwide.

In 1996 the financial industry continued its outstanding performance in the four main areas of banking, insurance, mutual funds and companies formation. This is excellent news because the financial industry is vitally important to the Cayman Islands economy. In 1996, there were about 4,000 persons directly employed by this industry and it contributed approximately 20 per cent to Gross Domestic Product.

The mutual funds industry, although started just a few years ago, is developing by leaps and bounds. As at December 1996, a total of 124 entities were licensed as Mutual Fund Administrators—an increase of 24 over the 1995 figure. In addition, there were 1,335 regulated Mutual Funds compared to 1,200 in 1995. Without a doubt, enactment of the Mutual Funds Law (1993) has provided a major incentive for growth of the dynamic mutual funds sector.

On the banking side, Mr Speaker, growth was equally impressive. Thirty-seven new banking and trust licences were issued in 1996. Among the banking institutions set up in the Cayman Islands were subsidiaries of two top French banks. This brought the total number of banks and trust licences issued by December 1996 to 572.

Turning to the insurance industry: Forty-one new captive licences were issued in 1996, bringing the total number to 418—an increase of 28 over 1995. The total number of active domestic insurers was 29. It is a well-known fact that the Cayman Islands is the dominant player in the health care market which represents roughly one-third of its total captives.

Mr Speaker, the steady growth in company registrations continued in 1996. As of the end of 1996 there were 37,919 companies registered in the Cayman Islands—an increase of 11.5 per cent over the 1995 figure. In order to further the development of the Company Register, Government has established a Company Sector Consultative Committee comprising persons from both the public and private sector.

I should mention that this Committee is chaired by the Deputy Financial Secretary. I believe that he will bring the same level of commitment to this as he brought to the

shipping sector which, today, has grown by leaps and bounds.

The objectives of this Committee are three-fold: to examine legislation in the areas of Companies, Partnerships and Trusts and advise on amendments; to identify marketing opportunities for Cayman Company Registration; and to recommend strategies for the development of the Cayman Company Sector.

Turning to shipping, 1996 was a very active year for the industry. Gross tonnage on the Shipping Register more than doubled the 1995 level and some 177 new vessels were added to the Register. This brought the total number of ships registered to 979.

The Cayman Islands Shipping Registry initiated a number of significant activities in 1996 to assist in the expansion and control of its Shipping Register. It established a London office for the Cayman Islands Shipping Register; inaugurated a Ship owners' Advisory Council; and became a signatory to the Caribbean Port State Control Agreement. The Registry also gained increased recognition through its representation at the world famous Posidonia '96 shipping exhibition in Greece.

A review of the shipping law was begun in 1996 and this important exercise is due for completion in 1997. It is expected that it will help to establish mechanisms for the continuous updating of the law in line with international and UK developments.

TOURISM

Mr Speaker, 1996 was a good year for the tourism industry. The number of visitors to the Cayman Islands—both stay-over and cruise ship arrivals—reached 1.1 million. Cruise ship passengers numbered 682,800—an increase of about 13 per cent over 1995; and a total of 373,200 stay-over visitors was recorded—an annual growth of approximately three per cent.

The tourism industry is becoming increasingly competitive as new destinations open up and countries market their products more aggressively. In 1996, the Cayman Islands continued to market itself as a quality destination by targeted advertising and public relations programmes. It also sought to enhance its image through the development of visitor attractions.

Over the past year, the Heritage and Display Gardens at the Queen Elizabeth II Botanic Park was completed; an internationally recognised dive site was created in Cayman Brac; and work on the preservation and restoration of the Pedro St James Castle is well underway.

In 1996, visitors spent some \$375 million in the Cayman Islands, expenditure which directly or indirectly benefited each and every one of us here. Without a doubt, the industry makes a very important contribution to the economic well-being of the people of the Cayman Islands.

AGRICULTURE

Mr Speaker, over the past year the Department of Agriculture carried out a number of programmes geared at increasing local food production which were quite successful. The Farmers' Market had an exceptionally good year in 1996. Gross sales grew from just under \$1 million to \$1.3 million—an increase of approximately 34 per cent. Steady gains were achieved not only in wholesale operations, but also in retail sales.

The dramatic increase in retail sales was due in large part to the Farmers' Market being granted rights for distribution of the Turtle Farm's edible products in July 1996. Gains were also made in raising the awareness among farmers for the necessity of grades and standards, resulting in higher quality of produce reaching the Market.

Future plans at the Farmers' Market are for the development of facilities for food processing and preparation; and expansion of facilities for the sale of non-perishable items, including plants and agricultural supplies.

REAL ESTATE

Mr Speaker, the real estate sector has grown quite rapidly over the past few years, and in 1996 the industry continued to boom. The value of land transferred in 1996 passed the \$200 million mark to reach \$267 million. This represented a significant increase over the 1995 level of \$191 million. Government revenues from land and property transfers also increased—from \$20 million in 1995 to \$23 million in 1996.

The development of prime land packages and a buoyant local housing market have undoubtedly spurred on sales in the real estate market. Better financing opportunities have also been a major factor in expansion of the sector.

BANKING

Mr Speaker, in 1996 the total amount of loans and advances made to residents amounted to approximately \$910 million. Compared to the 1995 figure of \$810 million, this reflects an increase of 12.4 per cent. Personal loans accounted for the largest proportion (46%); followed by loans in the real estate (16%) and tourism sectors (14%).

Total deposits amounted to \$367 million in 1996—an increase of 18.9 per cent over the 1995 figure of \$308.7 million. The rate of demand deposits grew the fastest (30%), followed by fixed deposits (17%) and savings deposits (14%).

CONSTRUCTION

Mr Speaker, buoyant activity in the construction industry is often a reliable indicator of how well an economy is doing. It also shows strong investor confidence in the economy. In 1996, a total of \$215 million of planned new construction was approved—an increase of about 25 per cent compared to the 1995 figure of \$173 million.

"Apartments and Condominiums" was the most significant category for planned new construction, with some \$77 million earmarked for it. The "Residential" and "Commercial/Industrial and Other" categories also accounted for sizeable amounts—\$57 million and \$53 million respectively.

There were not many plans put forward for hotel construction in 1996, but approval for expansion at the Hyatt Hotel helped to raise planned construction for the hotel sector to \$11.6 million. This is compared with a 1995 figure of \$1.6 million. Planned projects in the Government sector amounted to roughly \$12 million.

On the Sister Islands, 1996 proved to be a favourable year with approved new construction amounting to \$10.5 million. This was almost double the amount for 1995. It is likely that the special concessions available for investment in Cayman Brac helped to stimulate activity there. Planned construction, particularly of apartments and condominiums, in Cayman Brac alone amounted to \$8.0 million.

ECONOMIC OUTLOOK

Mr Speaker, growth prospects for the domestic economy in 1997 are quite favourable. Both the financial and tourism industries are expected to perform well and positive growth is expected in all other sectors. For the year ahead, an economic growth rate of around six per cent is predicted.

Mr Speaker, I shall now turn to a review of the public finances.

THE STATE OF PUBLIC FINANCES AT YEAR END 1996

GENERAL RESERVES

The General Reserve Fund stood at \$4.4 million at the beginning of 1996. Honourable Members will recall that during 1996 \$2.0 million was transferred into the Fund from General Revenue and \$1 million from the proceeds of the sale of the Housing Development Corporation's loan portfolio, which, when combined with the interest earned during 1996, results in a year-end balance of \$7.6 million.

Mr Speaker, the Draft Budget includes a proposal to transfer an additional \$1.0 million to the Fund during 1997. This amount has been included as a line-item in the Budget Document and gives further support to the Government's policy to build up the Fund to equal three months' recurrent expenditure.

PUBLIC SERVICE PENSION FUND

The balance in the Public Service Pension Fund as at 31 December, 1996 was \$21.9 million as compared to a balance at the beginning of 1996 of \$16.7 million. The 1997 Draft Budget includes an additional contribution to the Fund by the Government of \$2.6 million, which otherwise would have been transferred to the General Re-

serve Fund. This amount is over and above the current annual contribution to the Fund of 10 per cent of salaries which is made up of a 6 per cent contribution from Government and 4 per cent from public servants.

PUBLIC DEBT

Mr Speaker, during the period 1993-96, total repayment of central Government public debt and self-financing debt amounted to \$40.5 million, of which \$26.5 million was in principal repayments, and \$14.0 million represented the payment of interest.

Mr Speaker, as at January 1, 1996 the total public debt stood at \$51.5 million, of which \$33.2 million was central Government debt, and \$18.3 million was self-financing debt owed by the statutory authorities, but guaranteed by Government.

After taking into consideration the total draw-down of \$22.3 million during 1996, the repayments of debt, and the currency revaluation made during the year, the total public debt rose to \$66.7 million. Of this total, \$49.8 million was central Government debt and \$16.9 million was self-financing debt.

Mr Speaker, this Assembly should note that the repayment on central Government public debt is expected to consume approximately 4.5 per cent of recurrent revenue during 1997. This figure is well within the 10 per cent limit set by the Government and generally accepted as a guide.

1996 UN-AUDITED ACTUAL FIGURES

Mr Speaker, as the 1996 un-audited figures are now available, I have chosen to use these in my presentation as they are more updated than the revised figures found in the Budget document. Even so, the revised figures are within \$0.9 million of the overall figure produced by the Treasury and therefore can be used for comparison purposes.

The un-audited total expenditure for 1996 is \$207.6 million. This exceeds the original budget of \$202.7 million by only 2.4 per cent, or \$4.9 million. This additional amount is primarily a result of the \$2.0 million transfer to the General Reserve Fund during 1996. Honourable Members should note, however, that this is more than offset by the positive performance on recurrent revenue, which at \$194.5 million, has outstripped the original budget of \$184.6 million by 5.4 per cent.

Mr Speaker, after taking into consideration this performance and the brought forward 1995 balance, the accumulated surplus balance at year-end 1996 was \$6.1 million which is significantly better than the original budget of \$1.1 million.

FISCAL ISSUES

Mr Speaker, since 1992 the recurrent expenditure of the Government increased by an annual average of 8.6 per cent, as compared to a growth in recurrent revenue of 15.1 per cent. However, the initial 1997 Budget pro-

posals submitted by the various areas of Government, if accepted, would have resulted in an increase in recurrent expenditure of 29.3 per cent over 1996, whilst the revenue proposals would only have resulted in a 8.6 per cent increase in recurrent revenue. Clearly this was unacceptable, and various measures had to be implemented to correct this potential imbalance.

In considering corrective action the Government felt that it would not be appropriate to attempt to address this situation by focusing on recurrent expenditure alone. Consideration would also have to be given to recurrent revenue.

The provision of important and essential new services by the public sector since the early 1990s have had major implications on both recurrent and capital expenditure. Furthermore, the 1997 Budget proposals under consideration included the \$6 million salary award to the Civil Service, a sum of \$2.6 million towards implementing the Public Service Pensions Fund on a self-sustaining basis, and a \$1 million line-item contribution to the General Reserve Fund.

Mr Speaker, I suggest that the two latter items are remarkable achievements and ones of which we can all be proud. In particular, the increased contribution to the Pension Fund, when matched by a further contribution by the Public Service equating to 2 per cent of salaries planned for implementation in January 1998, will achieve a level of annual contribution to the Fund that will place it on a self-sustaining basis over the longer term. Honourable Members should note that this additional 2 per cent contribution by the Public Service is to be part of the full-scale review of Public Service salaries, wages and benefits planned for 1997.

Mr Speaker, in recognition of this situation, a three-pronged approach was adopted to address the budgetary imbalance that would have resulted if the budget proposals were accepted. This approach involved implementation of the following three broad policies:

1. Restrict expenditure growth;
2. Implement measures to enhance the recurrent revenue base; and,
3. Raise new loans to finance only major capital development projects with long term implications.

Mr Speaker, to achieve these broad policies, various measures were adopted in the areas of: Recurrent Expenditure and Capital Expenditure, Recurrent Revenue, and Loan Income.

1. EXPENDITURE

Recurrent Expenditure

Mr Speaker, on the recurrent expenditure side, the measures introduced are as follows:

- a) Restrict growth to 3 per cent over the 1996 Approved Budget in the following recurrent expenditure sub-

heads: Travelling and Subsistence; Supplies and Materials; Other Operating and Maintenance; Grants, Contributions and Subsidies; and Reference Materials and Other. Reduce by 10 per cent, with some agreed exceptions, all new budget requests that fall under these five sub-heads and under the sub-head of Rental of Sites and Buildings.

- b) Removal of provisions made within departmental budgets for vacant salaried posts except where the justification to fill these positions has been established and the post is in the process of being filled. In addition, growth was restricted in the following classifications: Overtime; Wages; and Temporary and Relief Staff.

Capital Expenditure

Mr Speaker, as far as capital expenditure is concerned, the measures introduced are as follows:

- a) Focus on completing all on-going capital development projects and embark only on the following new projects: all Sister Islands projects; Lighthouse School; Bodden Town Post Office; Cemeteries; safety-related capital expenditure such as the upgrading of electrical mains and fire precautions.
- b) Establish specific expenditure caps for the main capital acquisitions areas including: Computer Equipment, Heavy Equipment, and Vehicles.

2. RECURRENT REVENUE

Mr Speaker, turning now to the measures adopted on the revenue side, these are as follows:

- a) Request contributions from the following agencies: Civil Aviation Authority \$3.0 million; Port Authority \$1.0 million; Water Authority \$1.0 million; and Cayman Turtle Farm \$150,000.
- b) Propose revenue enhancement measures in a number of recurrent revenue categories.

Mr Speaker, I would like to re-assure Caymanian residents that Government, in deciding upon a revenue enhancement package, considered very carefully the needs of the community, particularly those of the average Caymanian family. I am accordingly happy to announce that the following measures are being put in place to assist members of the community:

- removal of the 7.5 per land transfer duty on Caymanian first owner-occupied home valued up to \$125,000 ...

I am sorry, Mr. Speaker. There is a discrepancy here. The area of revenue that is affected, or the benefit

being given is a reduction of the 1 per cent charge. Mr. Speaker, please permit a brief interruption.

(pause)

Thank you, Mr. Speaker. There is a further correction to what I said earlier. Looking at the benefits in question. The first one should read:

- Removal of 7.5 per cent stamp duty on Caymanian first owner-occupied home valued up to \$125,000;
- and removal of stamp duty on land for Caymanian first owner-occupied home up to \$25,000;

I am going to ask Members to please amend their copy of the Budget Address accordingly.

- no increase in import duty on motor vehicles valued up to C\$20,000 c.i.f.;
- no increases on charges for mortgages of land with a value under \$300,000;
- abolition of fees for boats under 18 ft;
- removal of plumbing and electrical fees on houses under 1,500 sq. ft. and apartments under 600 sq. ft.
- reduced fees for gun licences for farmers;
- an increase in the duty free allowance for returning residents up to \$350;
- removal of import duties on flavoured milk including baby milk, yoghurt, ice cream, cereal and cereal preparations, tea and tea concentrates, and on personal vehicles to transport physically challenged persons.
- removal of bicycle tax and dog licence.

Mr Speaker, details on the revenue enhancement measures are set out in the schedule attached to the Budget Address. But in terms of existing recurrent revenue categories, the main areas which would be affected are: Financial Services Fees; Motor Vehicle Licensing and Related Fees; Other Stamp Duty and Land Registry Fees; Garbage Fees; Law School Fees; Firearms Licences (and Permits); Import Duties on motor vehicles, gasoline, alcoholic beverages, tobacco products and a few other selected items.

Mr Speaker, some new revenue enhancement measures are also to be introduced, and these include: Local Vessel Licences; Environmental Protection Fees; Building Permit Fees; and Development Impact Fees.

Mr Speaker, I encourage the Cayman population to view these measures within the context of the greater level of services which have been provided by the public sector in recent years.

3. LOAN INCOME

The measure being proposed is for a new loan of \$8.5 million to finance the construction of the new George Town Hospital.

Mr Speaker, in addition to all these measures, the finalisation of the on-going review of the Public Finance and Audit Law and its associated Regulations will be completed in 1997 with the assistance of a staff member from the National Audit Office of the United Kingdom. The new Law and Regulations are expected to support the on-going initiative of Re-invention of the Public Service and will establish a framework for the management of Government finances into the 21st Century.

DRAFT ESTIMATE FOR 1997

Mr Speaker, as a result of the 1997 Budget measures outlined above, I am pleased to present to this Assembly the 1997 Draft Budget which "stays the course" of the positive trend established over the past several years.

The 1997 Budget totals \$254.2 million, broken down as follows: \$188 million in recurrent expenditure; \$20 million in statutory expenditure; \$43.1 million in capital expenditure; and \$3.1 million in new services expenditure.

The recurrent expenditure of \$188 million is up 18.2 per cent over the 1996 un-audited figure. By way of comparison, the 1997 budgeted recurrent revenue is up 18.8 per cent over the 1996 amount. Total Statutory Expenditure is \$20 million, up \$5.2 million mainly because of the Government's increased contribution to the Public Service Pension Fund of \$2.6 million.

Capital Expenditure is presented in two major categories, i.e., Capital Acquisitions and Capital Development. The total Capital Expenditure budget of \$43.1 million is broken down into \$35.3 million for capital development and \$7.8 million for capital acquisitions. The major capital development projects include: the construction of health care and drug rehabilitation facilities; the continuation of the Harquail Bypass development and the construction and upgrade of various District roads; the continued development of sports and cultural facilities throughout Grand Cayman and Cayman Brac; and the construction of the new Lighthouse School and the expansion of other school facilities.

CONCLUSION

Mr Speaker, before concluding, I offer deep appreciation to the staff of the Portfolio of Finance and Economic Development, the staff of the Computer Services Section and to the Public Service in general for its support.

Although I have made reference to the staff in this section, I would like to single out the Deputy Financial Secretary, who I think went home last night at 2.00 am; the Director of Budget and Management Services and their support staff; the staff in the Economics and Statis-

tics Department and also the staff in the Attorney General's office, particularly the legal draftsman.

Mr Speaker, I recommend the Appropriation Bill, 1997, which proposes \$234,203,411 in expenditure for Recurrent, Capital and New Services. Not included in this sum is the statutory provision for loan repayments, pensions and gratuities, amounting to \$19,970,138.

Mr. Speaker, I would like to thank you and the Members of the Legislative Assembly for listening to this Budget Address, and may God guide this Debate and the deliberations on the 1997 Draft Budget.

At this time, I would like to move the second reading of the Appropriation Bill, 1997.

The Speaker: The question is that the Appropriation Bill, 1997, be given a second reading. This is a convenient time to take a 15 minute suspension.

PROCEEDINGS SUSPENDED AT 11.27 AM

PROCEEDINGS RESUMED AT 12.38 PM

The Speaker: Please be seated.

The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: I beg to move Government Motion No. 3/97, which reads as follows:

MOTIONS

GOVERNMENT MOTION NO. 3/97

THE CUSTOMS LAW, 1990 THE CUSTOMS TARIFF LAW (1996 REVISION)

"IN ACCORDANCE with the provisions of Standing Order 68A, and pursuant to section 74 of the Customs Law, 1990, the following resolution is moved:

"BE IT RESOLVED this day by the Legislative Assembly, under the power conferred on it by section 74 of the Customs Law, 1990:

"THAT the following exemptions from, and variations of the rates of, customs duty, and the new charges of customs duty, under the First and Second Schedules to the Customs Tariff Law (1996 Revision) be made:

Code Number	Heading	Duty	New Duty
38.01	Items With Increases Disinfectants, insecticides, etc.	Duty Free	15%
42.01	Leather goods, exc. footwear and furniture	Duty Free	10%
24.01	Manufactured Tobacco - cigarettes	\$30 per 1,000	\$50 per 1,000
03.02	Shellfish and Crustaceans, fresh whether live or not, chilled or frozen	15%	20%

Code Number	Heading	Duty	New Duty
25.11	Cement	20%	25%
93.01	Arms and Ammunition; parts and access. (Excluding Farmers)	20%	40%
87.11	Motor vehicle parts and accessories	20%	25%
New	All Boats for local use, whether sailing from abroad under own power or not, and whether registered or not, but excluding ocean-going vessels temporarily or for short periods in the Cayman Islands	Duty Free	20%
87.02	Motor cars Up to \$20,000 c.i.f. value	27.5%	27.5%
	Exceeding \$ 20, 001 c.i.f. but not \$25,000 c.i.f. value		30%
	Exceeding \$25,001c.i.f. value but not \$30,000 c.i.f. value		35%
	Exceeding \$30,000 c.i.f. value		40%
22.23	Wine coolers less than 7% alcohol exceeding \$3.50 per litre	\$1.50 per litre	\$1.50 per litre and 100% c.i.f. value
22.31	Table wines exceeding \$3.50 per litre	\$3.00 per litre	\$3.00 per litre and 100% c.i.f. value
22.32	Dessert Wine and Sherry less than 30% alcohol exceeding \$3.50 per litre	\$4.50 per litre	\$4.50 per litre and 100% c.i.f. value
22.33	Champagne exceeding \$3.50 per litre	\$4.50 per litre	\$4.50 per litre and 100% c.i.f. value
22.34	Other Sparkling wines exceeding \$3.50 per litre	\$3.75 per litre	\$3.75 per litre and 100% c.i.f. value
22.41	Spirits, unsweetened less than 50% alcohol exceeding \$4.00 per litre	\$10.00 per litre	\$10.00 per litre and 100% c.i.f. value
22.42	Spirits, unsweetened more than 50% alcohol exceeding \$4.00 per litre	\$14.25 per litre	\$28.50 per litre
22.43	Spirits, sweetened including liqueurs exceeding \$4.00 per litre	\$12.00 per litre	\$12.00 per litre and 100% c.i.f. value
24.02	Manufactured Tobacco, cigars	85%	150%
87.05	Motorcycles	20%	30%
	Motorcycles up to 90 cc		35%
27.01	Motor Gasoline	25 cents/gal	50 cents/gal
	DUTY FREE ITEMS		
04.03	Flavoured milk, yoghurt, ice cream	20%	Duty Free
19.99	Cereal & cereal preparations	20%	Duty Free
87.04	Vehicle to transport the Handicapped, not for commercial use	27.5%	Duty Free
109.11	Tea & tea concentrates	10%	Duty Free

[I should just point out that the insecticide for use by MRCU will be unaffected.]

"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."

The Speaker: I shall now put the question on Government Motion No. 3/97, under the provisions of Standing Order 68(8).

I shall put the question. Those in favour please say Aye...Those against No.

AYES and NOES.

The Speaker: The Ayes have it.

Mr. Linford A. Pierson: Mr. Speaker, may I have a division please?

The Speaker: Yes. Madam Clerk.

Clerk:

**DIVISION NO. 1/97
(Government Motion No. 3/97)**

AYES: 14

Hon. James M. Ryan
Hon. Richard H. Coles
Hon. George A. McCarthy
Hon. W. McKeeva Bush
Hon. Thomas C. Jefferson
Hon. John B. McLean
Hon. Truman M. Bodden
Hon. Anthony Eden
Mr. John D. Jefferson, Jr
Mr. D. Dalmain Ebanks
Dr. Frank McField
Capt. Mabry S. Kirkconnell
Miss Heather D. Bodden
Mrs. Edna M. Moyle

NOES: 3

Mr. D. Kurt Tibbetts
Mr. Linford A. Pierson
Mr. Roy Bodden

The Speaker: The result of the division is 14 Ayes, three Noes. The Motion passes.

GOVERNMENT MOTION NO. 3/97 PASSED BY MAJORITY.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

**MOTION TO DEFER DEBATE
ON THE BUDGET ADDRESS**

Hon. George A. McCarthy: Mr. Speaker, I would now like to move the following motion:

"BE IT RESOLVED that debate on the Budget Address be deferred until Friday, 14th March, 1997, and that it be debated simultaneously with the Throne Speech delivered by His Excellency the Governor."

The Speaker: The question before the House is that the debate on the Appropriation Bill, 1997 be deferred until Friday, 14th March, 1997.

I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: DEBATE ON THE BUDGET ADDRESS DEFERRED UNTIL FRIDAY, 14TH MARCH, 1997, AND THE THRONE SPEECH AND BUDGET ADDRESS TO BE DEBATED SIMULTANEOUSLY.

The Speaker: Bills, First Readings.

BILLS

FIRST READINGS

THE ROADS (NAMING AND NUMBERING) BILL, 1997

Clerk: The Roads (Naming and Numbering) Bill, 1997.

The Speaker: The Bill is deemed to have been read a first time and is set down for Second Reading.

THE ANIMALS (AMENDMENT) (STRAYING AND TRESPASSING) BILL, 1997

Clerk: The Animals (Amendment) (Straying and Trespassing) Bill, 1997.

The Speaker: The Bill is deemed to have been read a first time and is set down for Second Reading.

THE PORT AUTHORITY (AMENDMENT) (MEMBERSHIP) BILL, 1997

Clerk: The Port Authority (Amendment) (Membership) Bill, 1997.

The Speaker: The Bill is deemed to have been read a first time and is set down for Second Reading.

Would this be a convenient time for the luncheon suspension?

Hon. Truman M. Bodden: Yes, sir.

The Speaker: Proceedings are suspended until 2.30.

PROCEEDINGS SUSPENDED AT 12.50 PM

PROCEEDINGS RESUMED AT 2.36 PM

The Speaker: Please be seated.
Bills, Second Readings.

SECOND READINGS

THE ROADS (NAMING AND NUMBERING) BILL, 1997

Clerk: The Roads (Naming and Numbering) Bill, 1997.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Thank you, Mr. Speaker.

I beg to move the second reading of a Bill entitled, A Bill for a Law to provide for the naming of existing and new streets and for the numbering of existing and new buildings for incidental and connected purposes.

This Bill provides for the official naming of all streets and numbering of all buildings in each street in these islands. The provision of a full address for each building in the Islands will, for the first time, be provided. It will also allow the emergency services in this country to perform in a better way, and in so doing we will be providing a service to this country which is long overdue.

All Members of this Parliament are quite aware of the E-911 system. This system is working quite well. Once we have the street naming and numbering system throughout the Cayman Islands, we will have done justice to the people of these islands. No longer can we identify homes by colour when sending an ambulance out. We have progressed much further than that, and now is the time to move in this direction, especially when catering to so many American tourists each year—the mainstay of our economy here in the Cayman Islands.

I ask all Members to please offer their support to this Bill, and I fully recommend it to them.

The Speaker: The motion is open for debate.
The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker.

I rise to give my full support to this Bill, and to make a short contribution in support of what the Honourable Mover said in regard to the tourists. I have had many experiences right in the heart of town with tourists asking for directions. While that is not the only justification for this Bill coming to the House, I think to have all the streets named and buildings properly numbered is worthy of our support.

It is also noteworthy, in connection with the E-911 system which now exists, that it will be easier to give directions once the streets are all named and homes and commercial establishments are numbered.

On the aspect dealing with the tourists, just as a matter of coincidence one of my suppliers, who visits here probably once per year, calls and asks me twice per month if we have the streets named yet. Within another week or so I can give him the good news, after dealing with him for 16 years, that we are now about to do it.

I support this Bill.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I rise in support of A Bill for a Law to provide for the naming of existing and new streets and for the numbering of existing and new buildings for incidental and connected purposes.

This matter is long in coming, I think it was back in 1991 when I was the Member for this Portfolio that we started putting a committee together. I am very pleased to see that this has now come to fruition and I wish to congratulate the Minister for bringing this matter to the House.

I hope that every effort will be made to have this completed as soon as possible and to have the numbering of buildings and naming of streets concluded as soon as possible. Also, I wish to see the same effort made in Cayman Brac and Little Cayman so that we can have this system throughout the islands.

Mr. Speaker, I am happy to give this Bill my full support.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Mr. Speaker, I, too, rise to give this Bill my full support. I feel that it is quite necessary and quite timely and I would also like to endorse my friend from George Town in that I, too, would like to see this extended into my constituency of Cayman Brac and Little Cayman, especially when we are at the cross-roads of development, both economically and otherwise.

We find ourselves in the wonderful opportunity of looking at Grand Cayman and seeing some of the mistakes that they have perhaps made in this area so that we can improve thereon. I give it my full support.

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation

Hon. Anthony Eden: Thank you, Mr. Speaker. I, too, rise to give my support to this worthwhile Bill. As you know, it certainly impacts on the delivery of health care services to the islands. With the E-911 system minutes, and sometimes seconds, can mean the difference in saving someone's life. I am pleased to see the support which this Bill has received.

The Speaker: I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it. The Bill has been given a Second Reading.

AGREED: THE ROADS (NAMING AND NUMBERING) BILL, 1997 GIVEN A SECOND READING.

The Speaker: Second Readings, continuing.

THE ANIMALS (AMENDMENT)(STRAYING AND TRESPASSING) BILL, 1997

Clerk: The Animals (Amendment) (Straying and Trespassing) Bill, 1997.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Thank you, Mr. Speaker.

I wish to move the second reading for a Bill entitled, A Bill for a Law to amend the Animals Law (1996 Revision). This Bill will amend the Animals Law (1996 Revision) by including dogs and cats among the animals that are required to be controlled by their owners and prevented from trespassing or straying on to the public highway.

While this Bill may seem to be a simple one, it is a very important one. This problem posed today is that not only have we had attacks on cattle and goats, but we have also had attacks on humans. The reason we are bringing this Bill is to instil in the minds of individuals who own animals the need to have more control.

Last year it cost this country a fair amount of money through the Department of Agriculture trying to control stray animals in Grand Cayman. We collected over 1,000 stray dogs, and almost 500 stray cats—animals that were posing a problem not only to cattle but also to humans.

I am pleased to put forward this Bill today, and I ask my colleagues to give it their full support.

The Speaker: The question is the second reading The Animals (Amendment) Straying and Trespassing Bill, 1997. The motion is open for debate.

The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker.

This is another Bill I have no problem fully supporting. To discuss the Bill would be to repeat what the Mover has already said. However, I would just like to quickly bring to the attention of the Honourable Minister moving the Bill, especially, that a problem exists which this Bill does not cover.

It is apparent that some homeowners have almost become acrimonious in their thoughts about these stray animals. I have been told of two incidents where poison has been placed in the yard of the owners of animals, even though the animal is within the confines of the owners' property. It is apparent that people have crossed over into the property to place poison there.

There was a specific instance where the father of a young child (19 months old) found this poison. Ten minutes before that, the child was in the yard playing. I do not believe that these people intended to poison a child, but I bring that to the attention of the Mover because a fatal accident could have occurred. I do not have the answer to that problem, but I believe that in dealing with it, where it is incumbent upon the animal owners to keep the animals within their boundaries, by way of education

or whatever, people should not put poison within the confines of people's properties to get rid of these animals. Children could be hurt.

I just wanted to mention this at this time. Perhaps the powers that be will figure out something to deal with this matter. Nevertheless, I fully support this Bill.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: I also rise in support of this Bill which seeks to give some type of responsibility to pet owners. I also feel that it is important to make a distinction between animals that are of some economic use (animals, for instance, such as cattle, which people consume), and animals which people keep as pets. As far as I am concerned that is a luxury because you have to provide food for those animals. I think the responsibility should extend to where people also ensure that these animals are not nuisances to the public.

We have a situation in this country with a lot of dogs, where people just seem to be compelled to get a dog whenever they see a new dog. A lot of dogs are being accumulated in certain areas. We sometimes find where families have up to six or seven dogs. There is no responsibility being exercised.

Animals, like people, trust us; animals, like people, create disturbances; animals, like people, can be nuisances if they are not forced to comply with some type of civil law. But the problem with animals is that they do not have the type of sense that people have. If you tell a dog not to go into your neighbour's yard, it might prove very difficult at the end of the day to train that dog to behave and keep those type of instructions.

I have six cats. It is a big problem keeping them in the yard or in the house because animals, being the way they are, do not see divisions. In other words, there is no road, no neighbour's property...they do not believe in private property like we do. Whatever we want the animal to do, we are going to have to force the people who own the animals to do.

Like I said, I am an animal lover. I own animals and I accept the responsibility for those animals; I feel for those animals and I do not want to see them mistreated by anyone, including by the people whom Government might charge with the responsibility to collect.

I think that even people who love animals have to realise that there are many people who have possession of animals who do not care for them, or anything else, and allow those animals to become nuisances to the public. In some areas one cannot sleep at night because the dogs are barking continuously all night. They roam around, sometimes in packs of 12 to 24 in some neighbourhoods, terrorising the neighbourhood. After 12 midnight, the dogs take over.

I feel that people have to become responsible for their animals. I welcome this Law and hope that it is somehow enforced and also listen to the complaints by neighbours. I am very sympathetic to the people who feel that their animals are being threatened by people who

place poison, I know that is a terrible case. Owners of animals must become aware of the fact that their animals can be the greatest annoyance to other peoples' pleasures and freedom.

Thank you.

The Speaker: Does any other Member wish to debate? If not I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: THE ANIMALS (AMENDMENT) (STRAYING AND TRESPASSING) BILL, 1997, GIVEN A SECOND READING.

THE PORT AUTHORITY (AMENDMENT) (MEMBERSHIP) BILL, 1997

Clerk: The Port Authority (Amendment) (Membership) Bill, 1997.

The Speaker: The Honourable Minister for Tourism Commerce and Transport.

Hon. Thomas C. Jefferson: Thank you, Mr. Speaker.

I beg to move the second reading of a Bill for a Law to Amend the Port Authority Law (1995 Revision). This Bill amends the Port Authority Law (1995 Revision) by increasing the maximum number of members of the Port Authority by two, by making a corresponding increase to the quorum of the Authority, and by authorising the Governor in Council to designate a deputy chairman of the Authority.

The amendments deal specifically with the Board. Under section 3(1), the present Law reads: "There is hereby established a body corporate called the Port Authority of the Cayman Islands which shall consist of the Member or his nominee which shall be Chairman, the Financial Secretary or his nominee, the Chief Engineer and the Collector of Customs who shall be *ex-officio* members and not more than four or less than two other members who shall be appointed from time to time by the Governor...." The amendment simply changes the "not more than four" to "not more than six".

It adds a subsection 1(a) which reads: "The Governor shall designate one of the members of the Authority as Deputy Chairman of the Authority, who shall serve as such for a period of up to one year and may be re-designated."

In section 3 (4) of the Law, which presently reads: "The Chairman or, in his absence, a member appointed by the other members to act as Chairman shall preside at all meetings and three members present shall form a quorum...." The amendment before the House simply changes the "three members to form a quorum" to "five members to form a quorum."

It goes on to cause "in the absence" to be deleted from section 3 (4), which at present reads: "The Chairman or, in his absence,...." The words "the Deputy Chairman, or in the absence of both of them...."

So it is really an administrative change to give a little bit more flexibility in holding meetings and to also give a better proportion of the private sector representation on that authority than has heretofore prevailed.

I recommend these amendments to this Honourable House.

The Speaker: The 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.

The Speaker: The Ayes have it.

AGREED: THE PORT AUTHORITY (AMENDMENT) (MEMBERSHIP) BILL, 1997 GIVEN A SECOND READING.

The Speaker: The House will now go into Committee to consider these Bills.

HOUSE IN COMMITTEE (3.00 PM)

COMMITTEE ON BILLS

The Chairman: Please be seated.

The House is in Committee to consider The Roads (Naming and Numbering) Bill, 1997.

THE ROADS (NAMING AND NUMBERING) BILL, 1997

Clerk:

- Clause 1 Short title.
- Clause 2 Interpretation.
- Clause 3 Power to name streets.
- Clause 4 Naming of streets in new developments.
- Clause 5 Power to erect street name plates.
- Clause 6 Offences as to naming of streets.
- Clause 7 Power to number buildings.
- Clause 8 Offences as to numbering.
- Clause 9 Official record of names and numbers.
- Clause 10 Recovery of costs.
- Clause 11 Registration of names and numbers.
- Clause 12 Offences by bodies corporate.
- Clause 13 Dates of service of notices.
- Clause 14 Amendments and repeals.

The Chairman: The question is that clauses 1 through 14 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 1 THROUGH 14 PASSED.

Clerk: A Bill for a Law to Provide for the Naming of Existing and New Streets and for the Numbering of Existing and New Buildings; and for Incidental and Connected Purposes.

The Chairman: The question is that the Title do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: TITLE PASSED.

The Chairman: The Animals (Amendment) (Straying and Trespassing) Law, 1997.

THE ANIMALS (AMENDMENT) (STRAYING AND TRESPASSING) LAW, 1997

Clerk: Clause 1 Short title.
Clause 2 Definition.
Clause 3 Responsibility for trespass by animals.
Clause 4 Penalty for allowing animals to cause danger.

The Chairman: The question is that clauses 1 through 4 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

Mr. Linford A. Pierson: Mr. Chairman, just one small matter. Clause 4, Penalty for allowing animals to cause danger. That should be 4, I think it is a duplication of 3. I think it was read as 4.

The Chairman: Yes, it was read as 4. It is a typographical error. It will be corrected.

AGREED: CLAUSES 1 THOROUGH 4 PASSED.

Clerk: A Bill for a Law to amend the Animals Law (1996 Revision).

The Chairman: The question is that the title do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: THE TITLE PASSED.

The Chairman: The Port Authority (Amendment) (Membership) Law, 1997.

THE PORT AUTHORITY (AMENDMENT) (MEMBERSHIP) LAW, 1997

Clerk: Clause 1 Short title.
Clause 2 Increase of membership.

The Chairman: The question is that clauses 1 and 2 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 1 and 2 PASSED.

Clerk: A Bill for a Law to Amend the Port Authority Law (1995 Revision).

The Chairman: The question is that the Title do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: TITLE PASSED.

The Chairman: The question is that the Bills be reported to the House. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: THAT THE BILLS BE REPORTED TO THE HOUSE.

HOUSE RESUMED (3.10 PM)

REPORTS ON BILLS

The Speaker: Please be seated.

Reports. The Honourable Minister for Agriculture, Environment, Communications and Works.

THE ROADS (NAMING AND NUMBERING) BILL, 1997

Hon. John B. McLean: Mr. Speaker, I have to report that a Bill entitled The Roads (Naming and Numbering) Bill, 1997 was considered by a committee of the whole House and passed with no amendments.

The Speaker: The Bill is set down for Third Reading.
The Honourable Minister for Agriculture, Environment, Communications and Works.

THE ANIMALS (AMENDMENT) (STRAYING AND TRESPASSING) BILL, 1997

Hon. John B. McLean: Mr. Speaker, I have to report that a Bill entitled The Animals (Amendment) (Straying and Trespassing) Bill, 1997 was considered by a committee of the whole House and passed with no amendments.

The Speaker: The Bill is set down for Third Reading.

The Honourable Minister for Education Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, with your approval, we would prefer to take the Third Readings, notwithstanding that they are on the Order Paper today, at another time. Therefore, the report on the other two Bills can come and then I would move for a suspension until Friday.

I apologise for this change.

The Speaker: The Report on the Port Authority (Amendment) Bill, 1997.

The Honourable Minister for Tourism Commerce and Transport

THE PORT AUTHORITY (AMENDMENT) (MEMBERSHIP) LAW, 1997

Hon. Thomas C. Jefferson: Mr. Speaker, I have to report that a Bill entitled Port Authority (Amendment) (Membership) Bill, 1997 was considered by a committee of the whole House and passed with no amendments.

The Speaker: The Bill is set down for Third Reading.

I will now ask for the adjournment of the House until Friday.

ADJOURNMENT

Hon. Truman M. Bodden: Mr. Speaker, because there is no further business other than questions, with your leave, I move the adjournment until Friday morning at 10 o'clock.

The Speaker: The question is that the House do now adjourn until Friday morning, 14th March, 1997, at 10 o'clock. I shall put the question. Those in favour please say Aye... Those against No.

AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned.

AT 3.15 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM FRIDAY, 14TH MARCH, 1997.

**EDITED
FRIDAY
14TH MARCH, 1997
10.04 AM**

The Speaker: I will ask the First Elected Member for George Town to say Prayers.

PRAYERS

Mr. D. Kurt Tibbetts: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Questions to Honourable Members/Ministers. Question No. 1 is standing in the name of the Third Elected Member for Bodden Town.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

QUESTION NO. 1

Mr. Roy Bodden: Mr. Speaker, I recognise an error in the question sir, the question should read:

"No. 1: Mr. Roy Bodden asked the Honourable Minister for Education, Aviation and Planning what circumstances led to Cayman Airways Limited/Cayman Aviation Leasing to discontinue its plans to purchase a second aircraft."

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, that is not the question that I have been asked. The question that I have is:

"No. 1: What circumstances led to Cayman Airways Limited/Cayman Aviation Leasing discontinuing its plans to purchase a third aircraft." The Member said a "second" aircraft, and I believe he may have made an error there. I am prepared to answer it as I have been given it.

I will give this answer: Cayman Airways has not abandoned...

Mr. Roy Bodden: Mr. Speaker.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: The Minister can answer the question if he likes, but that is not the question. I stated that there was an error in the question, and I brought it to your attention.

The Speaker: Would the Member allow a deferment of that question until we can seek clarification?

Mr. Roy Bodden: Yes.

Hon. Truman M. Bodden: Mr. Speaker, if I may just address you briefly.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I hold in my hand the question signed by the Honourable Member, and I am prepared to lay it on the Table of this Honourable House. This is the question that was asked, and I do not think at this late stage, or at any time the Standing Orders say questions cannot be asked, that it is open for the Honourable Member to vary the question if he has made an error.

I would just like to lay this on the Table of the Honourable House. It is signed by the Member. I think this is what I have to answer—otherwise, we could have a lot of difficulty in this Honourable House if, after questions are asked, Members decide to vary them when they have made mistakes, or when they wish to better position themselves politically.

Thank you, sir. But I will abide by your ruling.

The Speaker: I rule that we will go ahead and have the Honourable Minister for Education, Aviation and Planning answer the question as set down on the Order Paper. If the Third Elected Member for Bodden Town wishes to, he can set out another substantive question at a later date.

Mr. Roy Bodden: Mr. Speaker, may I call to the Chair's attention that the Chair agreed that the question may be deferred?

Hon. Truman M. Bodden: Mr. Speaker, in accordance with your wish, may I now answer the question?

The Speaker: Honourable Minister for Education, Aviation and Planning, please answer the question.

Hon. Truman M. Bodden: Cayman Airways has not abandoned its plans to purchase a third aircraft.

Mr. Roy Bodden: Mr. Speaker, am I to understand that my question, having been deferred, can come again at some subsequent time during this Sitting?

The Speaker: I will make a ruling and discuss that with you at a later date.

Supplementaries? The Third Elected Member for George Town.

SUPPLEMENTARIES

Mr. Linford A. Pierson: I wonder if the Honourable Minister could say if any of the present aircraft are now due for C-checks or D-checks?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: That does not directly relate to this, but every 15 months there are C-checks done. D-checks normally come every seven years. So one C-check is due every year. Where we are with D-checks would be many years off. I was not prepared for this because it really is not relevant. I am trying to supply the Honourable Member with a reply as best as I can.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I wish to thank the Honourable Minister. It is just that it had come to my attention that since the aircraft are somewhat old, they are now due for the D-checks.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Since the Honourable Member has made a statement, may I just reply to that?

These aircraft are very safe, very reliable and the reason why we have these old aircraft is that during the

time that the Honourable Member was in Government they sold the 727-200s which were much newer aircraft. All money received for those two jets was wasted.

The Speaker: If there are no further supplementaries, we will go on to question No. 2, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 2

No. 2: Mr. Roy Bodden asked the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation if the Cayman Counselling Centre has any responsibility for counselling at the Cayman Islands Marine Institute.

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: Cayman Counselling Centre is providing, at no cost to Cayman Islands Marine Institute, drug counselling services via a group process held at the Cayman Counselling Centre offices on a weekly basis. Four youths are scheduled to attend this group.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister say when these counselling sessions were instituted and what the duration of the programme is?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: It was decided in January to change the location of the counselling programme offered at the Cayman Islands Marine Institute. It was agreed that the programme would be evaluated after 90 days. Therefore, since a short time has elapsed since the location changed, I will not supply the rest of the information as to where the programme is now.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Could the Honourable Minister state if there are any other types of counselling services being made available via the Cayman Counselling Centre to the CIMI other than drug counselling?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: No, Mr. Speaker.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Would the Honourable Minister be in a position to say if he knows if there are any other requests, even if it is not being done?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: There are other requests.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Would the Honourable Minister be able to say if there are any plans to address such a request?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: Only if it is drug related.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Could the Honourable Minister state if there are any other agencies looking into these requests which might be in a position to deal with that type of counselling?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: Mr. Speaker, I would prefer to decline from answering that. There are a number, such as EAP, and other counselling agencies that do what he is referring to.

The Speaker: The next question is No. 3, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 3

No. 3: Mr. Roy Bodden asked the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation how many prisoners are enrolled in counselling sessions held by the Cayman Counselling Centre at Northward Prison.

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: There are currently 13 prisoners enrolled in drug and alcohol counselling sessions held by the Cayman Counselling Centre at Northward Prison. The 13 clients are comprised of six women and seven men.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister say what the length of this programme is?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: They last from one hour, to one-and-one-half hours.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: I wonder if the Minister can advise us whether or not there is a policy that all prisoners convicted of drug abuse take the counselling sessions at Northward Prison, and, if not, why not?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: No, Mr. Speaker. I would assume that this would be a judicial decision. But I would certainly encourage this.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister state what the time span of this programme is, whether it is three weeks or more?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: There is no set time. It is something which goes on all the time.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Since it is not a policy that all convicted drug offenders have to enroll in this programme, could the Minister state the method by which individuals become involved in the programme?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: This is mainly voluntary. They are made aware of what is offered and receive encouragement from their peers.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Does the Cayman Counselling Centre have any plans to try and educate these prisoners

about the benefits of counselling in relation to their circumstances?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: This is available when they come to Northward, but we would certainly look forward to advertising the availability of counselling at the prison.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Could the Minister give an undertaking that the management of the Cayman Counselling Centre will liaise with management at the Prison with a view to bringing this process to fruition? It is unnatural to expect these prisoners to engage in the programme of their own volition.

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: Yes, Mr. Speaker. As a matter of fact, we are working along with the Chief Secretary's office and look forward to dove-tailing and complementing what we are doing here.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Minister say what happens to a prisoner who was enrolled in counselling during his stay in prison upon his release?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: Once prisoners are ready for release, they are encouraged to join group and individual counselling which is available at Cayman Counselling Centre.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: I wonder if the Honourable Minister can say what options are available to prisoners or other drug abusers who need residential care or treatment?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: The only residential care available at this time would be overseas.

The Speaker: The next question is No. 4, standing in the name of the First Elected Member for George Town.

No 4: Mr. D. Kurt Tibbetts asked the Honourable Minister for Education, Aviation and Planning if any time-line has been developed for the physical upgrading of existing Government educational facilities in the Cayman Islands.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: All Government education facilities in the Cayman Islands are well maintained and are in good operating order. Each year principals submit a comprehensive report that details what is needed in regard to repairs and upgrading of facilities. These works are then scheduled over the summer vacation and throughout the school year. Additionally, the Education Department and Public Works schedule other capital works, such as re-roofing, re-paving and major additions over a multi-year period so as to ensure the ongoing quality of school facilities.

A number of projects aimed at upgrading the physical plans of existing Government educational facilities have been scheduled for 1997 to 1998. Some of these projects are scheduled to be completed within the 1997-1998 time-frame, while others are scheduled to begin during the said period.

The following is the time-line which has been developed for the physical upgrading of existing Government educational facilities in the Cayman Islands:

- ◆ 1997- the completion of the changing facility at the George Hicks High School.
- ◆ July 1997 completion of the art block at George Hicks High School.
- ◆ 1997- major kitchen renovations at Bodden Town Primary School.
- ◆ 1997- construction of new classroom block at Creek Primary School.
- ◆ 1997- construction of multi-purpose Hall at Spot Bay Primary School.
- ◆ 1997-1998 construction of the multi-purpose Hall at John A Cumber Primary School.
- ◆ 1997-1998 construction of the Administration block and multi-purpose Hall at Red Bay Primary School.
- ◆ 1997-1998 carry out various re-roofing projects at schools as necessary.
- ◆ 1997-1998 implement phase I of the programme to install air-conditioning at all existing schools.
- ◆ 1998 - construction of canteen and Hall at George Hicks High School.
- ◆ 1997 - construction of the Lighthouse School.

In addition, various minor works as recommended by the Education Department and Public Works, including upgrading security lighting, fire alarm systems, bathrooms, hard courts, and other facilities as necessary, will be undertaken within the 1997-1998 time-frame

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Could the Honourable Minister state exactly what the work entails for the major kitchen renovations at Bodden Town Primary School?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: With the help of the Honourable lady Member from Bodden Town and also the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation, we have been able to develop a project which will deal with the extensive renovations. There are some \$88,000 for upgrading the kitchen facilities at the Bodden Town Primary School.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: So that the Minister will understand the line of the supplementary question, I know there are monies in the Estimates, and I know that it says 'major renovations'. Does it entail enlarging the facility, redoing the facility, or exactly what does it entail?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I would have to give the Member the actual specific details of that in writing. It will be extensive renovations, replacement of what equipment needs to be replaced, areas within the walls and floor that either need redoing or refurbishing. I understand that possibly better ventilation will be installed.

However, I am a lawyer, not a contractor, and I would have to get the details from the construction specialists at the Public Works Department.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: In the answer provided by the Honourable Minister, the construction of the Lighthouse School was included. I wonder if he can say what this project is now estimated to cost, in light of recent developments which have put a (should I say?) stumbling block in the way of the purchase of the Cayman Foods Building for this purpose?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The estimated project is now some \$6 million, a cost that has had to be considerably increased because of the politics surrounding it, and the project has been delayed over the past year or so.

The actual details of the facility, the architectural brief, is being prepared and we have a specialist from the

United Kingdom who specialises in schools for persons who are physically and mentally challenged for the Lighthouse School. In fact, that aspect is now going on.

I am also endeavouring, as this project is the number one project for the Government this year in Education, to move with it as quickly as I can.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister describe what is meant by "implement Phase I of the programme to install air-conditioning at all existing schools"?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The National Team Government took a decision, along with at least one of the independent Backbenchers in this Honourable House, to air-condition class rooms in the present schools. This is now going to be undertaken. It will be phased in over a period of time. How long that will be, I am not sure at this stage, some school class rooms are easier to air-condition than others.

It will include Cayman Brac. On my recent visit four or five weeks back, I noticed that some of the class rooms, especially at the primary school, were very hot. This will now be pursued as a National Team and Government policy over the next few years.

While I would prefer to see that the air-conditioning goes first into the class rooms which are the hottest, in which the younger children are, I am awaiting a schedule from Public Works Department.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Would the Minister be in a position to state if any property has been identified for the location of the Lighthouse School?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The last property identified was stopped because of politics, as that Member knows, since another politician's family owned it. Since that time, I have been endeavouring to find five acres of land located beside a primary school. The concept of dealing with the physically and mentally challenged in the strategic planning is that they should be, as far as possible, integrated with children in the schools even it is only for a half-hour, or one hour per week.

The importance of being able to purchase that five acres of land beside the school was very important. Perhaps, through politics, we will have handicapped children suffering. But I am doing my best because this is Government's number one project - to see that the Lighthouse School is built - so that the children who are physi-

cally and mentally challenged in all three islands, get every advantage to progress to their fullest abilities, mentally and physically.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: In view of the majority which the Minister enjoyed in this Honourable House during the last administration, and for clarification on behalf of the listening public, can he explain how a minority of Members in this House could possibly have prevented him from purchasing the property for the Lighthouse School?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: That Honourable Member knows the answer. It was bitterly opposed by that Honourable Member, by the Democratic Alliance and by Team Cayman. When we come to the Estimates, it will be shown that the public is going to have to pay a very large and excessive amount of money because they did not take advantage of that property. It was stopped by politics. It was a bitter fight which has hurt the handicapped children and adults of this country. There was so much pressure put on, that it became the topic of constant harassment and pressure on me and the National Team.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Would that Honourable Member state whether any of the Members he mentioned from the Democratic Alliance who were opposing this were sitting Members of this House?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, I do not want to prolong this, but that Member knows that at every public meeting, including those on television which that Honourable Member held along with the sitting Member of this House (the First Elected Member for George Town), they got up and bitterly opposed building a school for the handicapped children of this country. That is recorded on television and in the press. It was opposed throughout.

The Speaker: I will allow one further supplementary, the Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister say if at one of those meetings he mentioned, the current First Elected Member for George Town produced a document which stated that the Lighthouse School was not stopped as a result of any action taken by any Opposition Member, but, rather, as a result of a *directive*?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I am not too sure where this is going to lead. The fact is that a confidential document of Government was either wrongly taken or stolen and given to the Honourable Member producing it. That Honourable Member had to know it was a confidential document. It was wrong for him to publicly stand up and attempt to use a confidential document between a Permanent Secretary and the Honourable Financial Secretary of this country.

If the country deteriorates to a state where Honourable Members of this House are prepared to take confidential documents of Government and go public with them, and not explain where they got them from, then this country will begin to crumble socially. It is wrong for an unauthorised document, which was confidential and privileged, to be put out publicly.

Perhaps the Third Elected Member for Bodden Town would explain who produced the document, and where it came from, and why he would now support producing and reading a fully confidential document in public.

The Speaker: Question No. 5 is standing in the name of the First Elected Member for George Town.

QUESTION NO. 5

No. 5: Mr. D. Kurt Tibbetts asked the Honourable Minister for Education, Aviation and Planning to give an update on the proposed National Education Curriculum.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Following the appointment of a new Senior Education Officer for Curriculum and Test Development, Mr. Herbert Crawford, in September 1996, a philosophy of education governing the national curriculum development works has been produced. A national curriculum advisory committee comprising a representative sample of 16 people from both the private and public sectors has been established. Its role is to provide advice and make recommendations regarding the developments of the national curriculum. Work has also commenced on the core subjects of mathematics and science.

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Would the Minister state exactly what core subjects are to be worked on to create the national curriculum?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Maths, Science and Language Arts.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Minister state if there is anyone in the Education Department who has been appointed to deal with the work on Language Arts?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: No. We are moving first with Maths and Science. A national curriculum is a very large project, the largest project in the strategic plan. We believe that to do it right we should take it in a phased stage. These two subjects were chosen first and the Language Arts will follow in due course.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Would the Minister state if at any time anyone had been appointed to deal with Language Arts?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I believe what the Member is asking.... Mr. Beckles was in a post and he has been working on this for a short period of time now.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Minister state if it will be necessary to recruit any overseas personnel for participation in this exercise?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Since under the Constitution I do not get into personnel matters, I would hope that the Third Elected Member for Bodden Town would not push me into that area. As I understand the policy, it is to always recruit Caymanians wherever Caymanians are available and qualified for the post. I would think that will be followed in this instance, sir.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Is the Honourable Minister saying that he is not aware of any of the personnel matters in the Education Portfolio?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, once persons are appointed I know of them. I take no part whatsoever—under the Constitution I cannot—in personnel matters, whether it is an appointment, a termination, for discipline or whatever. So, my answer is, yes, I am aware of certain things in there, but I do not really come into the recruiting process and it is therefore difficult for me to answer questions relating to staff.

As that Member is new here, normally questions on staff are answered by the Honourable Chief Secretary.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: I may be new, but what I am asking (and perhaps it is a bit difficult to formulate) is whether or not the policy of hiring is part of the overall policy. In other words, if you have an educational strategy, whether or not the policy of hiring people to carry out that strategy is a part of policy.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The policy in relation to hiring for strategies... and Mr. Speaker, the policy of hiring and the policies related to it, other than the fact that we vote money and posts in this House before Finance Committee, I am not in a position, in fact I do not even interview my secretary with whom I have to work with in my office. The Constitution is very rigid on this in that I cannot interfere or get involved in policy matters relating to staff. I think that if the Member means that if a policy comes in which requires further staff, then that comes to this Honourable House in Finance Committee.

For example, this time there is a section called 'New Services'. If there is a policy on the hospital and new staff is needed, it is put in there. But all we do is approve the posts. Yes, it is known once they are in there, and if they are needed then it comes to Finance Committee.

The Speaker: I would like to say that I think we are straying far from the proposed National Education Curriculum. I ask that the supplementary questions arise out of the answer to the substantive question.

The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: The Minister stated in one of his answers to a supplementary question that the core subjects for the National Curriculum are Maths, Science and Language Arts. Can the Minister state where, in fact, Social Studies fits into the whole scheme of things?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The core subjects are dealt with first, what we know as the three "R's" Reading, Writing and Arithmetic. After that, all subjects of the curriculum will be dealt with. The move here has been to first deal with two of the core subjects. The other core subject will be finished with a priority over all of the subjects in the curriculum.

The Speaker: Question No. 6 is standing in the name of the Third Elected Member for George Town.

QUESTION NO. 6

No. 6: Mr. Linford A. Pierson asked the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation to give a progress report on the proposed Drug Rehabilitation facility to be located on the Hawley Estate in Breakers.

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: In April 1996, Planning approval was granted for the proposed Drug Rehabilitation Facility which is to be located on the Hawley Estate in Breakers. This approval was for a change of use for buildings which are already on the property. Objections by some residents of the district were made to this approval, hence a Planning Appeal has now been scheduled for Tuesday, 18th March, 1997.

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Minister say if the appeal as stated in his answer is a tribunal appeal?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: Yes, Mr. Speaker.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Minister state if work will go on immediately if the tribunal upholds the previous decision of the Central Planning Authority?

The Speaker: I think you are asking the Honourable Minister for an opinion. I cannot allow that.

Mr. D. Kurt Tibbetts: Mr. Speaker, with the greatest of respect, I believe that my question is based on a circumstance which may occur, and it does not have a thing to do with opinion.

Hon. Anthony Eden: Mr. Speaker, as this is sub judice, I think that I should refrain from answering any further questions until after the 18th, which I will then undertake to do.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: In view of the policies and programmes of the Canaan Land project, can the Honourable Member say if any consideration has been given to combining both of these programmes in order to avoid possible duplication of efforts and expense?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: Discussions will be held.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister say if the need is great enough at this time to support two ventures as is now the case?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: Yes, Mr. Speaker.

The Speaker: The next question is No. 7, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 7

No. 7: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister for Education, Aviation and Planning how many applicants from Cayman Brac applied for education scholarships during 1996 and how many were granted.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Nine students from Cayman Brac applied to the Education Council for Government scholarships in 1996. Five were granted and four were not. The four not granted were for the following reasons: Three did not meet the academic criteria for a scholarship; and one had no acceptance from college.

SUPPLEMENTARIES

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister say if there is a policy in the Ministry whereby unsuccessful candidates who have gone on to university can reapply, providing they meet the academic standard?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The answer to that is yes. If during the first semester of college the student gets a 3.0 GPA, they are then granted a scholarship. I should point out that for the past four years all applicants who have applied for a scholarship and who have met the criteria set under the law are always granted scholarships.

The Speaker: If there are no further supplementaries, the next question is No. 8, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 8

No. 8: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister for Education, Aviation and Planning to say whether or not an airport is to be constructed on Little Cayman and, if in the affirmative, when and where.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The answer is, yes. An airport will be constructed on Little Cayman, God willing. It is proposed to begin construction within the year. Preliminary civil engineering surveys have been conducted on various sites, including the existing airport site as well as sites on crown property. The overall cost of the project is now being studied amongst other factors, including the cost to purchase property, if required. A suitable site will then be determined.

SUPPLEMENTARIES

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister say whether or not the residents of Cayman Brac and Little Cayman will have a say in the actual decision-making process as to the precise location?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I will give an undertaking, as the National Team has always done, to consult the residents of Cayman Brac and Little Cayman fully on this matter. We will also involve the necessary Planning and other bodies that should look at such an important decision.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Can the Minister say if any consideration has been given to extending the airstrip and upgrading that in line with the development policies for Little Cayman.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Yes, that is one of the sites under very serious consideration. My reference to the cost of acquiring the property was actually referring to the present site.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister say whether or not the concentration of residential properties is nearer to the existing site or the other proposed location?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The present site has some problem in relation to the concentration of residences and other buildings. This is being considered.

I think we first have to look at safety. Buildings nearby create a problem in that respect. Secondly, there is cost, because the public should pay as little as possible for the building of that strip or any other work that Government does. I do know that one of the sites is totally away from both the birds and the residential area. But until we can get a full costing on the alternative sites it will be difficult to say exactly what may happen.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Is the Honourable Minister aware that a document entitled "Immediate Policies and Actions for Planning and Development on Little Cayman" was tabled in this Honourable House in 1991 which suggested that every effort should be made not to extend the airfield in Little Cayman beyond 1,000 feet?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: First of all, the airport in Little Cayman has been beyond 1,000 feet during the whole period that Honourable Member was in this House. It is in the area of 2,500 to 2,700 feet. What will be done, and His Excellency stated this in the Throne Speech, is to keep it within a length of 3,000 square feet. The document referred to was a document which the Honourable Member laid on this Table in 1991. That document, very

dangerously and seriously, failed to comply with the Development and Planning Law. Instead of the Member doing what the Law said, which is a democratic process of having the document referred to the public and receiving public input as required under the Law for two months and then going through the process of referring it back to the Central Planning Authority and the Development Authority in the Brac, what appeared to me was that the democratic process set down under the Law was circumvented. That document is void and unlawful under the Development and Planning Law.

Having said that, it is a document I believe can be used (when I deal in the proper way under the Law) with a development plan for Cayman Brac and Little Cayman, but it will be in accordance with the wishes of the people of Cayman Brac and Little Cayman after they have had their full representation.

The Speaker: It is now 11 o'clock. If Members wish to continue with Question Time, a Member should move the suspension of Standing Order 23(7).

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

Mr. Linford A. Pierson: Mr. Speaker, I move the suspension of Standing Order 23 (7) to enable the remaining questions on the Order Paper to be asked.

The Speaker: The question is that Standing Order 23(7) and (8) be suspended so that Question Time can continue. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. STANDING ORDER 23(7) AND (8) SUSPENDED TO ENABLE QUESTION TIME TO CONTINUE.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Just to clarify the point made by the Honourable Minister for Education, Aviation and Planning, if he had listened closely he would have noted that I said "extended beyond what is there now." It was proposed to extend this to the west to ensure safety.

As regards the propriety and legality of this document, I would just like to remind the Honourable Minister that you were, in fact, the vice chairman of the committee...

Hon. Truman M. Boddan: Mr. Speaker, may I just take a point of order?

POINT OF ORDER

The Speaker: Honourable Minister for Education, Aviation and Planning, may I hear the point of order?

Hon. Truman M. Boddan: The point of order is that the Honourable Member is making a statement. I would like to point out that I never referred to any members of the committee. I only referred to what that Honourable Member did.

The Speaker: I think the Honourable Minister is correct. You are not allowed to make a statement at this time. Please refrain from that.

Do you have a further supplementary question?

Mr. Linford A. Pierson: Would the Honourable Minister state whether he is aware that the document referred to as "The Immediate Policies and Actions for Planning and Development on Little Cayman" was laid on the Table of this Honourable House and accepted by the House?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddan: Mr. Speaker, I am aware that it happened. What I pointed out, and it has no reflection on anyone other than that Honourable Member, is that that plan is not a legal development plan. It has not complied with the Law. I appreciate all that the Member has done. I thank him very much. It can be used as a basis for moving on with a further development plan. But the document, because of what the Honourable Member did by not following the Law and going back to the people giving two months for representation, short circuited that process. Laying of that document on the table does nothing for the document legally.

As I said, even though he circumvented or did not understand the process, it is a document that will be useful for what is being done, and I thank all Members who put effort into it.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Mr. Speaker, I thank the Honourable Minister for his assessment, but wish to remind him that the Director of Planning and the Deputy Director of Planning were members of this committee. I will turn that now into a question: Is the Honourable Minister aware that the Director of Planning and the Deputy Director of Planning were members of the committee in question?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddan: Mr. Speaker, that Honourable Member was in charge then, and if he says that was the position, then I accept that. What I am saying is that he circumvented the Law. I am not saying any of the Members who were on the committee did, but the Honourable Member believed (whether he was wrongly advised or

not) that laying that plan on the Table produced a legal development plan.

The previous Government was unable for eight years to get anywhere with development plans. That one cannot be used as a development plan because it is unlawful under the Law. The democratic right of representation and the procedure laid down was not followed.

The Speaker: I think we have gone far from the construction of an airport on Little Cayman. We will go on to the next question, which is No. 9, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 9

No. 9: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister for Education, Aviation and Planning to state how many special education teachers are employed by the Education Department in Cayman Brac.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: There are three trained Special Education Teachers in Cayman Brac and one Support Assistant working with a special child. One teacher works at the High School and two teachers work out of the Teachers' Centre providing services to the primary schools. The Special Support Assistant works with one student at Creek Primary School.

SUPPLEMENTARIES

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister say if there are any plans to amalgamate the students into one central location?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: There has always been, and will continue to be, discussion in this area. One aspect which has been discussed (but is in the very preliminary stage with no decisions made whatsoever) was whether the students would be better served by the equivalent of the Lighthouse School—having the teachers in one centre where they would all give their best to the students who are physically challenged.

This is a highly specialised area. Other than saying that, I would not like to venture into what the decision may be.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister say how often assessments are made on the special education teachers on Cayman Brac?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Assessment would be done, to the best of my knowledge, on a quarterly basis with continuing assessment throughout the full quarter, culminating in a report. I may not be fully correct on that, but that is the way I recall it.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister say what the procedure is for bringing a concern one might have with a special education teacher to the Ministry?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Any concerns should go into the Chief Education Officer. Like all concerns relating to children and schools, that would be looked at very carefully.

The Speaker: If there are no further supplementaries, the next question is No. 10, standing in the name of the Third Elected Member for George Town.

QUESTION NO. 10

No. 10: Mr. Linford A. Pierson asked the Honourable Minister for Tourism, Commerce and Transport to state whether Government is supportive of private sector individuals offering assistance to Cuba in the development of their tourism industry.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: The Cayman Islands' Government has not made any official statement for or against private sector individuals offering assistance to Cuba in the development of their tourism industry.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Is the Honourable Minister aware of any private sector individuals so involved? If so, what action has been taken to discourage such activities in light of the US sanctions against Cuba?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: In order for me to answer that question intelligently, can the Honourable Member asking the question be more specific?

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I will do whatever I can to assist the Honourable Minister. Is the Minister aware of any private sector individual involved in assisting Cuba with the development of their tourism industry, and, if so, what action has been taken to discourage such assistance in light of the US sanctions against Cuba?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: I will give the answer I thought to give in the first place since the Member did not shed any light on it: It is a Foreign Affairs matter, and nothing has come to my desk, officially, that points to individuals who are giving any assistance to Cuba in the development of their tourism industry.

The Speaker: That concludes Question Time for this morning.

READING BY THE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

APOLOGIES

The Speaker: I have an apology from the Fourth Elected Member for West Bay.

RULING ON QUESTION NO. 1

The Speaker: Before we go on, it is regrettable that the Third Elected Member for Bodden Town is not in the Chamber, as I have done some research on his signed original question. It did state "third aircraft."

We will now go on to Presentation of Papers and Reports. The Draft National Pension Plan.

The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

PRESENTATION OF PAPERS AND REPORTS

DRAFT NATIONAL PENSIONS (GENERAL) REGULATIONS, 1997

-and-

DRAFT NATIONAL PENSIONS (PENSION FUND INVESTMENTS) REGULATIONS, 1997

Hon. W. McKeeva Bush: Mr. Speaker, I beg to lay on the Table of this Honourable House a Draft of the National Pensions (General) Regulations and Draft National Pensions (Pension Fund Investments) Regulations.

Mr. Speaker and Honourable Members, I am pleased to be able to release the Discussion Drafts of the Pensions Regulations to you today. These are the first two sets of what is intended to be three sets of Regulations. The two sets which my Ministry is able to release today are the National Pensions (Pension Fund Investments) Regulations, and the National Pensions (General) Regulations. As implied in the name, the first set deals with the Investment guidelines which any approved pension plan or fund operating in Cayman will have to comply with, and the second set of Regulations deal with a number of general and procedural matters.

I would have liked to have released these Drafts earlier, but other considerations and activities impeded this. My Ministry appreciates the work of the National Pension Law Advisory Committee and the Legislative Drafting Department in connection with these Drafts.

As the House is aware, the National Pensions Law which was passed in the Legislative Assembly in July 1996, and is scheduled to come into effect on 1st July, 1997, is very comprehensive and contains many of the provisions which are normally contained in regulations. Therefore, by referring to the Law and these Draft Regulations, employers and prospective Approved Providers will be able to assess the 'state of readiness' of their pension plan, or know what they need to do to comply with the legislation.

I am releasing with the Drafts, a summary of the main sections for ease of reference. Government is seeking the services of outside technical expertise to assist in the Drafting of the third set of Regulations. This set would deal mainly with valuation procedures for new or existing Defined Benefit Pension Plans, as well as various actuarial provisions. I hope to have this third set available for review some time in April. Subject to the results of this public consultation exercise, it is my Ministry's intention to take the Regulations to the Legislative Assembly in June for the Affirmative Resolution which is required under section 94 (6) of the National Pensions Law.

My Ministry would appreciate receiving written feedback by the end of April. If necessary, meetings can be held with associations, employers or individuals during this consultation period. Early feedback is needed as this may impact the drafting of the third set of Regulations. Copies of the Draft Regulations can be collected from my Ministry or from the Legislative Assembly.

Finally, let me say that in tandem with the drafting of Regulations and any necessary tidying-up of the legislation, Government will also be making arrangements for the institutional framework—particularly the Superintendent of Pensions. It is hoped that the office of the Superintendent can be established by June, so that when the Law comes into effect on 1st July we will have ample time to ensure that all employers are in compliance with the Law by 1st January, 1998.

Government has not yet approved or registered any firms or individuals as Approved Providers, however I encourage all employers (including self-employed persons) to review any proposals which are presented to them and to seek advice from my Ministry if necessary.

I trust that before too long we will have the legislative and institutional framework in place which will ensure that all employees who contribute will have proportionate resources to provide a decent retirement for them. This is a noble and prudent objective and my Ministry is honoured to be able to spearhead this long overdue initiative. Thank you very much.

The Speaker: Statements by Members of Government. The Honourable Minister for Sports, Women's Affairs, Youth and Culture.

STATEMENTS BY MEMBERS/MINISTERS OF THE GOVERNMENT

MAY - THE MONTH OF THE CHILD

(11.22 AM)

Hon. W. McKeeva Bush: This statement is in regard to the declaration of May as the Month of the Child.

Although the actual origin of Child Month is unclear, the concept of setting aside a month each year in which to focus on issues pertaining to children is widely accepted and practised throughout the world, and has been for many years. In most countries, the month of May is considered as the month of the child and Child Month celebrations therefore take place during this period. There are a few countries, however, where Child Month is celebrated at a different time of the year.

Within the Caribbean region Child Month celebrations are seen as a very significant and important event in the calendar. The overall responsibility for the planning and implementation of Child Month activities usually falls under the responsibility of the local agencies or agency responsible for the care and welfare of the children of that country. Participation in these activities takes place at every level from Government to the community.

Child Month is acknowledged and supported by the United Nations, and in Barbados where it has been celebrated for more than 30 years, the local UNICEF office provides funding for some of the various projects.

In our efforts to better serve the community, especially the children, we have adopted a more pro-active approach with the services we offer. Through our recently developed Child Protection Programme we have embarked on a public education drive which we hope will have a significant impact on the incidence of child abuse and neglect. The implementation of Child Month as an annual event is one way in which we hope to get the entire country to pay closer attention to the children and their welfare. We are seeking to involve the church, the various Government departments, service clubs and

other organisations and business houses as well as the ordinary citizen in these celebrations.

Among the things which we hope to have established is the designation of the first Saturday and first Sunday of May as Children's Sabbath and Children's Sunday. Our recommendation is that all church services held on these days be dedicated to children and that children be allowed to participate at every level possible, including the reading of the sermon where appropriate. The Department of Social Services will select a different church each year where departmental staff and invited guests will worship.

It is planned that on May 1st, the month's celebrations will officially commence with an opening address to the country. Also on that day the Honourable Minister for Education, Aviation and Planning will hopefully address the schools via the school broadcast system.

The Speaker: Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 11.26 AM

PROCEEDINGS RESUMED AT 11.57 AM

The Speaker: Please be seated. Government Business, Bills. Third Readings.

GOVERNMENT BUSINESS

BILLS

THIRD READINGS

THE ROADS (NAMING AND NUMBERING) BILL, 1997

Clerk: The Roads (Naming and Numbering) Bill, 1997.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I beg to move that a Bill entitled, The Roads (Naming and Numbering) Bill, 1997, be given a third reading and passed.

The Speaker: The question is that a Bill entitled, the Roads (Naming and Numbering) Bill, 1997, be given a third reading and passed. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: THE ROADS (NAMING AND NUMBERING) BILL, 1997, GIVEN A THIRD READING AND PASSED.

THE ANIMALS (AMENDMENT) (STRAYING AND TRESPASSING) BILL, 1997

Clerk: The Animals (Amendment) (Straying and Trespassing) Bill, 1997.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I beg to move that a Bill entitled, The Animals (Amendment) (Straying and Trespassing) Bill, 1997, be given a third reading and passed.

The Speaker: The question is that a Bill entitled, The Animals (Amendment) (Straying and Trespassing) Bill, 1997, be given a third reading and passed.

I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: ANIMALS (AMENDMENT) (STRAYING AND TRESPASSING) BILL, 1997, GIVEN A THIRD READING AND PASSED.

THE PORT AUTHORITY (AMENDMENT) (MEMBERSHIP) BILL, 1997

Clerk: The Port Authority (Amendment) (Membership) Bill, 1997.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: I beg to move that a Bill entitled, The Port Authority (Amendment) (Membership) Bill, 1997, be given a third reading and passed.

The Speaker: The question is that a Bill entitled, The Port Authority (Amendment) (Membership) Bill, 1997, be given a third reading and passed. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: THE PORT AUTHORITY (AMENDMENT) (MEMBERSHIP) BILL, 1997, GIVEN A THIRD READING AND PASSED.

The Speaker: Continuation of Government Business. Commencement of the debate on the 1997 Throne Speech delivered by His Excellency Mr. John Owen, MBE, Governor of the Cayman Islands, on Friday, 7th of March, 1997; and The Budget Address Delivered by the

Hon. Third Official Member, Financial Secretary, on Wednesday, 12th March, 1997.

The Third Elected Member for West Bay.

GOVERNMENT BUSINESS

COMMENCEMENT OF THE DEBATE ON THE 1997 THRONE SPEECH DELIVERED BY HIS EXCELLENCY MR. JOHN OWEN, MBE, GOVERNOR OF THE CAYMAN ISLANDS, ON FRIDAY, 7TH OF MARCH, 1997;

-and-

BUDGET ADDRESS

DELIVERED BY THE HON THIRD OFFICIAL MEMBER, FINANCIAL SECRETARY, ON WEDNESDAY, 12TH MARCH, 1997

(12 Noon)

Mr. John D. Jefferson, Jr: Thank you, Mr. Speaker.

First, let me officially welcome you to your first Session as Presiding Officer. With time and experience I am sure you will do an outstanding job. You will be successful because your heart is in the right place. Let me also be the first to offer congratulations to His Excellency the Governor, Mr. John Owen, and the Honourable Financial Secretary for the positive message reflected in the Throne Speech and Budget Address for 1997.

I would also like to offer my congratulations to the National Team Government headed by the Ministers for the fine job it is doing in keeping the country on the right course. Reflected in the addresses is the message that the country enjoys full employment and all major sectors of the economy continue to show positive growth. I am also proud of the fact that the Cayman Islands have arrived at the position of being one of the major financial centres in the world. As a result of our progress and growth, the Government is called upon to provide more and more services to the general public as a whole.

For example, in the area of health care, tremendous progress is being made with respect to the construction of a new hospital which will be second to none in the region upon completion, and will offer an expanded range of medical services. I visited the compound the other day with a number of my colleagues and I must say that I was very impressed with the magnitude of the project and the progress being made towards its completion. The other good thing about the project is that once it is completed it will be very practical. There has been extensive input from the staff at the hospital and other health care providers in the country.

In addition to that, construction is underway for new health care clinics in West Bay, North Side and East End. I think I am correct in saying that there will be full time doctors designated for these clinics and some of them will offer 24-hour medical service to the community. I am aware that, at least in West Bay, an ambulance service will be attached to the new health care clinic of that district.

In addition, there is also a great demand for roads by the general public because of the tremendous in-

crease in traffic. As a result, Government has begun work on the Harquail bypass and is also working to provide a bypass in the Crewe Road area to help ease congestion.

By way of new schools, there is the need for a new Lighthouse School because the present site has become inadequate. It is estimated that it will cost in the region of \$6 million for this new facility. What I would like to add at this stage is that we could have had the property and a building could have been renovated to house the Lighthouse School students, plus the Red Bay Primary School assembly hall, at a cost of just over \$2 million. If Team Cayman and the members of the Democratic Alliance, led by the First and Third Elected Members for George Town, had not made such a political issue of the proposed purchase of the Cayman Foods Building.

Due to the population growth in the district, the Government is called upon to look at the possibility of constructing a new primary school in West Bay. West Bay and George Town also need civic centres which will be used as hurricane centres for the districts. The Honourable Minister for Agriculture, Environment, Communications and Works has reminded me that the district of Gun Bay also needs a civic centre. The West Bay facility has been estimated to cost in the region of \$3 million. There is a need for Government to move on with the required renovating and equipping of the rehabilitation centre at the Hawley Estate. It is estimated to cost in excess of \$1 million when completed. Also in the works is the development of a playing field for the district of Bodden Town at a cost in excess of \$1 million.

The point I am trying to make is that these services cost money and someone has to pay for the services—either we pay now or we pay later. I will deal later on with the Budget issue, but let me now turn to providing details on the various sectors of our economy.

The first sector I would like to deal with is Tourism. I am pleased to see that tourism is growing at a steady pace, one that can be accommodated by these islands. For example, the number of visitors to the Cayman Islands, both stay-over and cruise ship passenger arrivals, generated \$1.1 million in 1996. Broken down further, there were 682,800 cruise ship arrivals; this reflects a 13% increase over 1995. Our stay-over visitors totalled 373,200 which represented a 3% annual increase over 1995.

In 1996, the Cayman Islands continued to market itself as a quality destination by targeted advertising and public relations programmes. It has also made an effort to attract the up-scale visitor by adding additional tourist attractions. Over the past year, the Heritage and Display Gardens at the Queen Elizabeth II Botanic Park was completed; an internationally recognised dive site was created in Cayman Brac; and work on the preservation and restoration of the Pedro St James Castle is well underway.

What is encouraging is the contribution that tourism makes to our economy. In 1996, visitors spent about \$357 million. The other encouraging thing is the progress made by the Honourable Minister for Tourism, assisted by me, in creating some tour business for the independ-

ent taxi operators. This is going very well. I was told that this group carried some 196 people on tour. That is a far cry from where it started. I think on the first day they had 11 or 13 people. They deeply appreciate what this Government has done in order to create some business for them and to ensure that they also continue to benefit from the prosperity that we enjoy in this country.

I am also aware that the Minister for Tourism is working on a plan to assist the independent small Caymanian water sports operators. Details will be finalised as to the liability insurance the cruise ships require to be in place. Plans are also well underway to establish permanent moorings in the George Town Harbour which visiting cruise ships can tie up to. Hopefully this will reverse the trend of destruction that is presently very evident when visiting the site where the ships land. I believe that even after this is done it will take some time before we see any marked improvement in regard to the marine life or coral.

I encourage the Minister to also look into the possibility of providing permanent moorings in the area of Spotts and the district of West Bay. With the increased number of cruise ship passengers that we now have, the traffic situation becomes much more congested. If we had some of those ships sent to Spotts or West Bay it would ease this congestion.

Real estate continues to move at a very rapid pace. In 1996 the value of land transfers passed the \$200 million mark to \$276 million. As we are all aware, the Government gets a significant percentage of their revenue from land transfers. In 1996 the Government collected some \$23 million from the sale of real estate, as compared to \$20 million collected in 1995.

There has been some concern expressed by locals that too much of our property is being purchased by one or two large foreign investors. It has been suggested that we look at the possibility of leasing property on a long term basis as they do in Bermuda rather than outright selling of property. I do not think that is a bad idea, but I think it is a little late for that. If one checks it out, the majority of property being sold was held previously by foreign investors. I do not believe that we can tamper too much with the real estate market because of the tremendous contribution that it makes to our local economy.

I am very pleased with the fact that a lot of construction is presently going on, that is, commercial office buildings, condominiums, as well as a number of private residences that are not only owned by foreign investors living here, but local Caymanians are also moving forward with home construction. In 1996 a total of \$215 million of planned new construction was approved - an increase of about 25 per cent compared to the 1995 figure of \$173 million. What is also encouraging is that employment in the construction industry is 100% at the present time. I remember when we took over in 1992 that many local contractors and people employed by the construction industry were sitting on their hands because there was nothing to do. The opposite is the case right now where a lot of our contractors have more work than they can handle. That is a good position to be in. I would rather see that than the opposite where people are out of work and

unable to support their families and pay their mortgages. This speaks well of the administration of the National Team Government.

The financial industry continues to make a very positive and important contribution to our economy. According to the Financial Secretary that sector now employs some 4,000 people. I also want to congratulate the companies operating here for investing in and training many of our Caymanians. I have noted, especially in the area of accountancy, where quite a few of our Caymanians have received their qualification as CPAs. I think that their training was financed by the companies they worked for in both instances.

The decision with respect to the Mutual Funds Legislation was also very wise. There has been a tremendous growth experienced in that area. At the end of 1996 we had 1,335 regulated mutual funds licensed here, compared to 1,200 in 1995. We also continue to experience positive growth on the banking side. Thirty-seven new banking and trust licences were issued in 1996. Today the Cayman Islands can boast that the world's largest banks all have a presence here in the Cayman Islands. I think that speaks well of the jurisdiction. I congratulate the Financial Secretary and his staff for the fine job they are doing in that area.

About a year ago, this House supported the reduction of company fees brought by the Financial Secretary in light of competition from elsewhere. That has proved to be a very positive and wise decision. As a result of that the Cayman Islands continue to experience a large percentage of new company registration. At the end of 1996 the register showed 37,919 registered in the Cayman Islands, an increase of 11.5% over 1995.

In keeping with our leadership position, the Cayman Islands moved ahead by putting facilities in place to complete the attraction as a major financial centre with the establishment of the local stock exchange and the creation of a Monetary Authority. What this means is that no longer will companies wishing to be registered have to go to London, or New York, or Japan, or one of the other stock exchanges in order to have this service. They can do it right here in the Cayman Islands.

I believe that things are on a good footing, and this country is moving ahead, despite the Opposition's attempt to paint a different picture.

In the area of Sports, we have had much criticism from the Opposition in regard to the facilities we make available to our young people. I find this hard to understand because it has been proven that if young people are provided with wholesome activities where they can expend their energies, then, in the long run, the country will be in a better position to create outstanding and responsible young people.

Presently, we have scheduled an indoor facility for West Bay which is going to cost some \$3 million. We have a playing field slated for Bodden Town which is going to cost us just over \$1 million, and there is also money to extend and improve the play field in Old Man Bay as well.

Anyone who took advantage to go and see our Cayman Islands National team in basketball compete against the visiting Canadian team will come to the conclusion that our investment in sports has paid tremendous dividends. On Tuesday or Wednesday night I commented on the radio that basketball in the Cayman Islands has arrived. I recall that for many years we dreaded the visit of soccer teams from Jamaica. That is no longer the case. The first few times their basketball team came down to play against our National team (which was shortly after we had put a national coach in place) they beat us. That is no longer the case. We have risen above the level of competition available and now have to look elsewhere for competition.

I must also applaud the Minister for Sports for his commitment in providing the personnel and in bringing forward requests for sporting facilities felt to be in the best interest of our young people. The National Team Government is committed to ensuring that our young people have the facilities they need in this area.

I recall that prior to the National Team Government taking over in 1992, we had a visiting basketball team from Belize. The visiting coaches made some very negative comments with regard to the quality of facilities available for sports in this country, in light of the fact that the Cayman Islands enjoy one of the highest standards of living of any country in the region (probably in the world!). The difference was that the 1988-1992 Government led by the then Member for Education from West Bay did not have any real commitment or interest in providing the facilities that we need for our young people. I want to applaud the Minister for Sports for his commitment in this area.

I also recall that many years ago if we saw a \$500 contribution to sports from the Government that was plenty. Today, especially in the area of basketball and football, those contributions to the sporting associations are now in the thousands of dollars. That also reflects this Government's commitment to sports.

Police: I am very pleased with the good job the Police have done in reducing the level of criminal activity in this country. I know that they are vigilant in ensuring that this area of concern is kept under control. The safety of our destination is probably one of the greatest advantages that we have with regard to attracting visitors from the outside.

An employee of mine from Jamaica recently told me that when he went home for a visit he could not wait to get back because of the level of criminal activity in his country. What concerns me, and maybe it is as a result of the influence from television because gangs are a very big thing amongst minorities in the United States, is that this type of activity is being organised here at the present time.

I heard of an instance recently where there was a teenage gathering scheduled at the West Bay Town Hall. Some of the young men from West Bay attended that function. Before they got inside there were some boys, I think in particular from the district of George Town, who actually attacked one particular young man. They not

only attacked him, but physically harmed him. It is fortunate that he escaped with his life.

I am quite sure, Mr. Speaker, that you share my concern. That type of activity cannot be tolerated under any circumstances in this country. What we need is for the police to be vigilant in arresting these persons who engage in this type of activity. We also need...

POINT OF ORDER
(*Sub judice matter*)

Mr. Linford A. Pierson: Mr. Speaker, on a point of order.

The Speaker: May I hear your point of order?

Mr. Linford A. Pierson: It is my understanding that this matter which the Honourable Member is referring to is now before the court, and therefore a sub judice matter. It should not be raised in this Honourable House.

Mr. John D. Jefferson, Jr: Mr. Speaker, it is my information that it is not before the courts. There are plans in terms of maybe bringing charges against these individuals involved. But at the present time it is not before the courts. That is my understanding.

The Speaker: In view of the possibility that it may be, I ask that you move on to another subject, please.

Mr. John D. Jefferson, Jr: Thank you, Mr. Speaker.

I would just like to end there by saying that in addition to the police, we also need the support of the courts in seeing that matters of this nature brought before them are dealt with in severity.

In my mind there are still too many persons on the streets, particularly in my district of West Bay, who are involved in drug abuse or trafficking. I would urge the respective section of the police responsible for this area to pay closer attention to the district. I am sure that it is probably the case in all of the other districts, especially the outer ones. We must do everything that we can to eliminate the scourge of drug abuse and trafficking in this country.

Someone told me recently that they do not have a drug trafficking problem in China because their policy is very simple: If you are caught, charged and convicted of drug trafficking, they take you out and shoot you. I am not sure that we have to resort to that measure, but I think it is important to recognise the seriousness of this matter with regard to the survival of our country.

One of the things I have pushed for, and I still do not understand why it has not been done, is for Government to look at providing the services presently being offered by the Central Police Station, particularly the Traffic Department with respect to inspection and licensing of cars in the outer districts. If one were to go by the Traffic Department at the end of the month or the first few days of any month, one would see the chaos that we have there. It does not take much to provide the service in the other

districts. I suggest that the model be started in West Bay, as it is one of the larger districts.

I recall when I was in Washington DC on training for the Government, that it was not necessary to go to the police station to get the car inspected and then walk back inside to get it licensed. They had designated garages or service stations that were officially recognised to do inspections. They would inspect the car because they knew what the Traffic Department requirements were. Once those requirements were met, they signed off on it. Then the fees were paid at the Traffic Department. I understand that a survey was taken and the garages said they could no longer do it for \$10. I do not blame them. But I would welcome the option to go to a garage in my district and pay \$25 to have my car inspected rather than going and waiting in line at the Traffic Department in central George Town for an hour or an hour and a half.

I believe that it can be done, I believe that it should be done, and I see no reason why it has not been done before. I am asking the persons responsible to move forward with that. I also believe that from a revenue point of view that if you provide the convenience for the people, the Traffic Department and Government will be able to more efficiently collect funds owed to them for car inspection and licensing.

In the Budget there is also a provision for adding classrooms for prisoners at Northward Prison. I think this is laudable. While those young men and women are behind bars they should have an opportunity to finish their high school education. The results that I have heard from the prison in this area have been outstanding. Many prisoners have, as a result of the training they received in prison, been able to go on and get a GED, or passes in 'O' levels and other areas. I believe that is one of the reasons they are there in the first place, because of their failure in the academic area they were attracted to crime, and because they were unable to compete with others in the work force for legitimate employment.

The Speaker: I wonder if this would be a convenient time for the luncheon suspension?

Mr. John D. Jefferson, Jr: Yes, sir.

The Speaker: Proceedings are suspended until 2.15 p.m.

PROCEEDINGS SUSPENDED AT 12.45 PM

PROCEEDINGS RESUMED AT 2.55 PM

The Speaker: Please be seated. I have been asked by the Government to rearrange the Business. I call upon the Honourable Third Official Member responsible for Finance and Development.

**MOTION TO SUSPEND STANDING ORDER 14
ARRANGEMENT OF BUSINESS**

Hon. George A. McCarthy: Thank you, Mr. Speaker.

I beg to move the suspension of Standing Order 14 to allow for the Business of this Honourable House to be interrupted in order to deal with a Bill.

The Speaker: The question is that Standing Order 14 be suspended to proceed with a Bill for a Law to Increase Miscellaneous Fees and Duties.

The motion is open for debate.

Mr. Roy Bodden: Mr. Speaker, I am rising to say something.

The Speaker: First of all, would the Honourable Mover wish to make a statement?

Hon. George A. McCarthy: This Bill follows the Budget Address, which was given on Wednesday, where it was mentioned that certain revenue enhancing measures would be implemented. This Bill would normally have been brought on Wednesday, but time had to be taken to ensure its accuracy. The Bill really enhances the information set out in the schedule to the Budget Address. It does not extend anything new other than to give Legislative effect to those increases.

The Speaker: Before I recognise the Third Elected Member for Bodden Town, the question before the House is the suspension of Standing Order 14, not the debate on this particular Bill. Are you speaking to that, Third Elected Member for Bodden Town?

Mr. Roy Bodden: Yes, Mr. Speaker. Notwithstanding that we have had some prior knowledge that this was an impending Bill, I do not consider the time allowed sufficient for those of us who are on the Backbench to be able to debate this Bill intelligently. I propose, if it pleases the Chair, that we consider suspending proceedings for the rest of the afternoon so that we may have more time to prepare for this Bill. According to what we are hearing, it has far-reaching and widespread implications. It would be good for us to have some time to study it. The schedule we received is significantly different from the Bill as it is here.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker.

We came here this morning with the understanding that the debate would proceed on the Throne Speech and the Budget Address. I had no knowledge that this Bill was coming to this House this afternoon. The Government has the numbers, and if they so desire they will see the suspension of Standing Orders and the passage of this Bill—but I can promise them, and you, that it will be without me.

The Speaker: Does any other Member wish to speak?
The Fourth Elected Member for George Town.

Dr. Frank McField: I also rise to say that if it is the attitude that the Government has the numbers to pass the Bill, then it is quite up to them to go ahead and pass the Bill. But I, as an independent candidate, would prefer if I were given some time to look again at this particular Bill. I think it is owed to the people, that if this Bill passes, it is as a result of intelligent and fair debate.

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeever Bush: What we are trying to accomplish here is not to take away anybody's right to debate the Bill. As I understand it, everyone will have an opportunity to debate its contents, and will certainly be able to express whatever feeling they have on the content of the Bill. It is not that the Government is using any heavy hand, because it is not a movement to stop debate. What we are doing is moving the Bill which every one of them knew was coming. On Friday they were given an indication of what it would contain in the Honourable Financial Secretary's address, and by matters discussed in the newspaper. This is not an attempt to cut debate, this is an attempt to let them have their say.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Thank you, Mr. Speaker.

It is not unusual under Standing Orders that this procedure would be followed, because the motion brought on Wednesday, 12th March, was brought in accordance with the provision of Standing Order 68A and pursuant to section 74 of the Customs Law. Standing Order 68A states that "**Any member of the Government may without notice make a motion for giving provisional statutory effect to any proposals in pursuance to subsection (1) of section 2 of the e Provisional Collection of Customs Duties Law, 1985; and the question on such a motion shall be put forthwith.**"

If my memory serves me correctly, I believe that the gist of the Customs provision is that the Bill must be brought within a month from the date of bringing the motion. So it is not unusual that the Bill would have come forward as quickly as possible. What I think is of concern is that in the spirit of cooperation Members of this House could have been given notice that it was coming this afternoon so that we could have been a little better prepared. Bearing in mind that the Government has sufficient numbers to pass this Bill, nonetheless, it should have given some amount of notice, and it would have shown some spirit of cooperation.

Some Hon. Members: Hear, hear!

The Speaker: Does any other Member wish to speak?

If there is no debate I shall put the question that Standing Order 14 be suspended. Those in favour please say Aye...Those against No.

AYES AND NOES.

Mr. D. Kurt Tibbetts: Can we have a division please, Mr. Speaker?

The Speaker: Certainly.

Clerk:

**DIVISION NO. 2/97
(Suspension of S.O. 14)**

AYES: 8

Hon. James M. Ryan
Hon. Richard H. Coles
Hon. George A. McCarthy
Hon. W. McKeeva Bush
Hon. Anthony Eden
Mr. John D. Jefferson, Jr
Miss Heather D. Bodden
Mrs. Edna M. Moyle

NOES: 4

Mr. D. Kurt Tibbetts
Mr. Linford A. Pierson
Dr. Frank McField
Mr. Roy Bodden

ABSENT: 5

Hon. Thomas C. Jefferson
Hon. John B. McLean
Hon. Truman M. Bodden
Mr. D. Dalmain Ebanks
Mrs. Julianna O'Connor-Connolly

The Speaker: The result of the division is eight Ayes, four Noes. The Ayes have it.

AGREED BY MAJORITY: STANDING ORDER 14 SUSPENDED ALLOWING THE BUSINESS TO BE INTERRUPTED TO ALLOW THE PASSAGE OF THE MISCELLANEOUS PROVISIONS (FEES AND DUTIES) (TEMPORARY) BILL, 1997.

The Speaker: Motion for the suspension of Standing Order 46. The Honourable Third Official Member responsible for Finance and Development.

SUSPENSION OF STANDING ORDER 46

Hon. George A. McCarthy: I beg to move the suspension of Standing Order 46 to enable a Bill entitled, A Bill for a Law to Increase Miscellaneous Fees and Duties, to be given its first and second readings.

The Speaker: The question is the suspension of Standing Order 46 to enable a Bill entitled, A Bill for a Law to Increase Miscellaneous Fees and Duties be given its first and second readings. The Motion is open for debate.

The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Democracy in this country is being subverted by this process. I have to stand here and say that the system which the National Team insists on railroading down our throats is bound to backfire on them. I

have long suspected that the system was skewed, because instead of the processes flowing from the Legislative Assembly to the Glass House, they flow from the Glass House down to the Legislative Assembly.

Let me assure you, sir, that I shall not lose the opportunity to let my constituents and the wider country realise what is happening, because if this is to be the practise, then there was no need for an extensive, expensive, time consuming, energy wasting election campaign which culminated in the November General Elections.

I have to say that I am tired, because I have heard for the past for years that the National Team has the numbers to get any legislation, brought at whatever time,. I want to ask the National Team Government if they are advocating a dictatorship? Or are they prepared to be tolerant and allow time in these circumstances for intelligent debate?

We are the representatives of the people. Those of us who take our positions conscientiously and diligently need time, sir, to read and study and consult—widely in many cases—before we are able to get up and take part in intelligent debate on these and other motions. I contend that the effects of this will be far-reaching and no one in his right mind could expect any legislator who is worth his salt to come here on such short notice and offer intelligent debate.

I am especially appalled that some of my colleagues who are on that side were once Backbenchers and know the struggles we went through when motions were brought, albeit not at this short notice!

Hon. W. McKeeva Bush: What? Ask Linford because he remembers!

Mr. Roy Bodden: While I hasten to add that it is no reflection upon the Chair, I call upon the Chair to protect the rights of the minority.

Mr. Speaker, I would like to categorically and unequivocally state that if this is a symptom of, and a prelude to, the future, then I fear the future. This kind of action can have no support from the Third Elected Member for Bodden Town.

The Speaker: If no other Member wishes to speak, I shall put the question that Standing Order 46 be suspended.. Those in favour please say Aye...Those against No.

AYES AND NOES.

Mr. Roy Bodden: Mr. Speaker, can we have a division, sir?

The Speaker: Certainly.

Clerk:

**DIVISION NO. 3/97
(Suspension of S.O. 46)**

AYES: 9

NOES: 4

Hon. James M. Ryan	Mr. D. Kurt Tibbetts
Hon. Richard H. Coles	Mr. Linford A. Pierson
Hon. George A. McCarthy	Dr. Frank McField
Hon. W. McKeeva Bush	Mr. Roy Bodden
Hon. John B. McLean	
Hon. Anthony Eden	
Mr. John D. Jefferson, Jr	
Miss Heather D. Bodden	
Mrs. Edna M. Moyle	

ABSENT: 4

Hon. Thomas C. Jefferson
 Hon. Truman M. Bodden
 Mr. D. Dalmain Ebanks
 Mrs. Julianna O'Connor-Connolly

The Speaker: The result of the division is nine Ayes, four Noes. The Ayes have it.

AGREED BY MAJORITY: STANDING ORDER 46 SUSPENDED TO ENABLE THE FIRST AND SECOND READINGS OF THE MISCELLANEOUS PROVISIONS (FEES AND DUTIES) (TEMPORARY) BILL, 1997, TO BE TAKEN.

The Speaker: Bills, First Reading.

BILLS**FIRST READING**

THE MISCELLANEOUS PROVISIONS (FEES AND DUTIES) (TEMPORARY) BILL, 1997

Clerk: The Miscellaneous Provisions (Fees and Duties) (Temporary) Bill, 1997.

The Speaker: The Bill is deemed to have been read a first time and is set down for second reading.
 Second Readings.

SECOND READING

THE MISCELLANEOUS PROVISIONS (FEES AND DUTIES) (TEMPORARY) BILL, 1997

Clerk: The Miscellaneous Provisions (Fees and Duties) (Temporary) Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

(3.15 PM)

Hon. George A. McCarthy: Thank you, Mr. Speaker.

This Bill seeks to give effect to the changes in rates and duties as set out in the Table in the Schedule and as

specified in the special resolution of the Legislative Assembly made on 12th March 1997 in respect of customs duties.

In order to effect such changes several Laws and regulations have been amended by the Bill. Such Laws include the Stamp Duty Law, the Customs Tariff Law, the Companies Management Law, the Insurance Law, the Immigration Law, the Traffic Law and the Mutual Funds Regulations.

The Stamp Duty Law has for example been amended to provide that those instruments which convey either land without buildings or land with buildings to Caymanians for their first owner occupied home be exempt from stamp duty. The consideration for the land in such instruments, in the case of land without a building, must be \$25,000 or less and, in the case of land with a building, \$125,000 or less.

The Bill provides for the imposition of the building permit fee which shall replace those fees charged for inspection of electricity and plumbing prior to the grant of a certificate of fitness for occupancy issued under the Development and Planning Law.

The Tax Collection Law has been amended to repeal the boat licence charged under section 5. This licence has been replaced by a local vessel licence fee which is chargeable on local boats and ships. A member of the Cayman National Watersports Operators Association shall be required to pay only \$25 per boat or ship for each boat or ship owned by that member while other owners of vessels must pay the fees according to the rates set out in clause 15. The Port Authority shall be responsible for collecting the fee on behalf of government.

The Bill also provides among other things for -

- (a) the imposition of the development impact fee which shall take effect 3 months after the date of the commencement of this law;
- (b) the environmental protection fee;
- (c) the abolition of licence fees for dogs and bicycle licences;
- (d) the free disposal of animal carcasses;
- (e) the removal of customs duty on vehicles for handicapped persons;
- (f) motor vehicle fees, driver licence fees and fees for vehicle inspection and registration; and
- (g) the prohibition of the importation of the hummer motor vehicles.

As I mentioned earlier, the schedule setting out what these increases were was circulated to Members of this Honourable House, and also made available to the public at large. Therefore, that information is now in the public domain. I will not run the risk of being repetitive by going into the details of these increases, but they remain unchanged from what was circulated to Members and the public.

I should mention, while not going into detail, that in the case of wine and spirits, there are certain items which will not be affected. For example, Appleton Rum, the CI

dollar value of that (according to the Customs Department) is less than \$4.00. Therefore, the duty on that liquor remains unchanged. I have been made to understand that there are quite a number of other popular drinks that carry a CI dollar value of less than \$4.00 which will not be affected.

I should also mention in the introduction of duty on boats, that wherever such would create a financial impact on any commitment that has been entered into by any member of the public at large (for example, where such shipments are now on the high seas) and they would have a difficulty in paying the duty not provided for, a request can be made to my office. This will be determined in consultation with Executive Council in order to extend the necessary time so that it does not become an onerous financial burden. Every effort is being made to cooperate with the public in general.

We know that the introduction of increases in fees at any time (revenue measures) is never a popular event. But it should be borne in mind that when we find ourselves in a society as sophisticated as Cayman, and bearing in mind that we have a limited revenue base with no direct taxation, in order to maintain the standard of living to which we have become accustomed, it is necessary to introduce revenue measures from time to time. Obviously, what would have cost one dollar five years ago cannot be bought for a dollar today.

Another thing, the Government has looked at quite a number of these fees very carefully. The reason why some of them have not shown any increases over the past five, six or seven years is not because they have been deliberately overlooked. Every attempt is being made to contain the cost of living. For the year ended 1996, the inflation rate was much less than 3%. That is one of the lowest for any country in the region. I do believe that this low inflation rate is going to be maintained.

Therefore, I suggest that persons providing consumables, who will be affected by these increases, closely examine the CI dollar value, especially, and not blame the Government unnecessarily while using this opportunity to impose increases into the market place themselves. For example, I cannot tell you how many drinks can be poured from a bottle of rum. But take a bottle of rum with a CI dollar value of less than \$4.00; let us say that the bottle makes 20 drinks. If you were to spread that cost over the 20 drinks, you would see that the effect of it would be quite negligible.

Obviously, some areas will be affected more so than others, but throughout the entire Cayman Islands community, fees have been examined in order to minimise the impact. There are others, such as Gun Licences, where the increases have been very steep. But I think that goes beyond a revenue issue. It is an area which has to be examined very carefully.

What we have in front of us is no surprise, because all of these increases were set out in the schedule attached to the Budget Address. This schedule was made available to Members of the Legislative Assembly and the public at large. If there is any specific category contained in the schedule which members of the public have diffi-

culty with, my office can be called upon to provide the assistance necessary to get the interpretation as to what those increases are. As I said, anyone who can demonstrate that these increases would have an unanticipated adverse impact, which can be reasonably demonstrated, the Government will be fully prepared to examine and assist those persons in order to minimise the impact.

As this Bill is not a surprise to Honourable Members, I commend it to this Honourable House.

The Speaker: The Bill is open for debate. The Third Elected Member for Bodden Town.

(3.25 PM)

Mr. Roy Bodden: Thank you, Mr. Speaker.

Let me preface my contribution by saying that I beg to differ with the last speaker's observation that this Bill should not be a surprise to anyone—it most certainly is! Not only is it a surprise, but I would describe it as an unpleasant surprise! I am saying that this will indeed be a difficult pill for this Parliament and this country to swallow.

The urgency with which the Government is moving with this legislation leads me to conclude that there is a certain desperation. Let me retrace the order of business. This morning we started with the Throne Speech and Budget Address Debate. We were not told that there was likely to be any digression. Consequently, we were unprepared when this was sprung upon us. I have to say that I am alarmed, given the fact (as I understand it) that there is some controversy surrounding this whole measure.

Be that as it may, there are certain peculiarities which I feel compelled to point out to the Honourable House. It is unusual, if not unprecedented, for the Government to bring a tax package such as this one without a total. So, we are left to speculate, conjecture and guess as to the total amount. When the last Government (the one the National Team succeeded) brought a \$10 million tax package, the National Team flogged them. At least we were able to calculate that it was \$10 million. This one is open to speculation, conjecture and guess work. One can quite logically conclude that it must be in the vicinity of \$50 million, for our last budget was \$202 million, and this one is \$254 million. There is one glaring peculiarity: We are presented with a tax package for which we do not know the total amount.

Secondly, while I take note of the Honourable Mover's sympathy, in that anyone who is suffering undue hardship can apply to his department and the Government for an easement, that easement does not alleviate the suffering and inconvenience—it only spreads it over a certain time.

Let me take a moment to illustrate a point. Yesterday morning, by mere coincidence I happened to have been in a place where a transaction was taking place between a young Caymanian entrepreneur, who was importing motor vehicles, and a young Caymanian businessman who had such a commercial vehicle. The gentleman who was purchasing the vehicle came to the im-

porter and he said, "Although you have given me a deposit, I have here a schedule and I have to regrettably inform you that the price I quoted you has now gone up. I will now have to pay more duties on the vehicle."

I make the point that the National Team Government cannot say that this tax package is not going to hurt the small man—it most certainly will! I am reminded of Leona Helmsly's infamous quip, when it was brought to her attention that she owed some taxes, "Only the poor pay taxes." I want to say that even though the National Team is claiming that this package will not hurt the small man, it will.

I am going to further argue that this package penalises those in our society who are doing well by placing onerous restrictions on them. A case in point: If someone works hard in this country, is an honest businessman and feels like he should be driving a Mercedes Benz, a Lamborghini, an Alpha Romeo, or a BMW, and it costs \$30,000, he will have to pay 40% import duties. If he wants to live in a grand house, he has to pay a whole lot more money. What are we doing? Are we trying to make everybody poor?

Hon. W. McKeeva Bush: You have a grand home, too, don't you?

Mr. Roy Bodden: No. I am just a good capitalist!

I want to say that if someone is enjoying economic success and wants to (shall we say?) indulge a little materialistically... we have to be careful what kind of message we are sending.

I will tell you, Mr. Speaker, what some of the small men are saying. I was also out of place yesterday. I am a non-smoker and a non-drinker. But I respect the fact that people who work hard must, particularly on the weekends (if for no other reason than to keep their sanity), indulge in some legal pleasure. Some people drink a little liquor or a little wine; they have a palate for fine wines. Some people like to soothe themselves by smoking a cigarette. So I was out of place when a gentleman, one of the proverbial 'little men', came to buy a pack of cigarettes. He was told that the price had risen. I did not want to get into the argument about the cost per pack. The gentleman bought the cigarettes after some argument. I will give you the gist of the argument. He complained about the price and accused the merchant of price-gauging. The merchant asked how, if he sold out the current stock at the old price, he was going to be able to buy it at the new price. I have to admit that there is some logic in that.

Similarly, those people who have a palate for wine or exotic drink...

Hon. W. McKeeva Bush: They have to pay for it.

Mr. Roy Bodden: While it is true that they should pay for it, this taste is not exclusive to the high, the mighty and the rich. Some of the 'little people' like to drink fine wine and liqueurs too.

I understand that throughout history, taxes, in whatever form they have been administered, were unpalatable. The history books are rife with examples of socie-

ties that complained—and some took it further than complaining—about taxes. So there is no easy way.

What I am alarmed about in this case is the urgency with which the measures are being brought in. The National Team cannot blame the previous Government—they were the previous Government! Someone must have known that we were in this state before we had to resort to this kind of urgency.

I realise that we have to pay for our sophistication, but there comes a point when we might price ourselves right out of the market. Remember, we are a competitor with other Caribbean countries, whose currency may be worth far less than ours, but whose natural beauty is comparable to ours, for the tourist dollar. There is a point where people will say, 'I'd love to go to the Cayman Islands, but the prices are unaffordable. I have to take a chance and go to Mexico (or Jamaica), where I may not be as safe as I would be in the Cayman Islands, but where my money will stretch much further and I will be able to stay longer at the kind of resort I like to stay at.'

I worry about what this is going to do to our tourism industry, just as much as I am worried about the trickle-down effect on the proverbial 'little man' on the street—whom we politicians like to say we are protecting—whose interest we claim to have at heart.

Some items in this are really creating precedents. This whole business of an environmental tax of \$2.00—which, according to the Bill, is to be levied on every traveller on every outbound vessel and every tourist in a cruise ship—there is no provision for where this money is going to go. There is no escrow account bearing the title of an 'Environmental Protection Fund'. There is no designation of what aspect of the environment these fees are going to be used to protect, preserve or keep. You do not have to be too mischievous to wonder if this is not a glorified title for an increase in travel tax.

(Inaudible voice from across the floor)

Mr. Roy Bodden: Mr. Speaker, I have not made an assumption. I have posed the question. Given the lack of information, we are left to speculate and guess.

I also want to say something about impact fees. In fairness I have to say that many people have been calling for these for some time. But let us remember that impact fees are a direct form of taxation. I suspect the reason why these fees were not implemented before is that hitherto we had no direct form. While it is true that certain areas are being over developed while other areas are starving for development, again, the implementation of these fees sends mixed signals.

In the Cayman Islands, people like to boast (because it goes beyond just a simple remark) that we have a society that is cosmopolitan in the sense that we have people at the top levels who are very wealthy, and who can afford ostentatious life-styles. Then we have those of us who are lower down, who are more humble and less ostentatious. It is perhaps that element that makes our society so unique, that makes it so different from many other places and allows us the kind of existence that we

have. If we strip it of its ability to attract the top end people, then we are taking away some of its uniqueness; we are robbing it of some of its ability to be attractive, and are removing the opportunity for upward economic mobility.

I think it is safe to say, given the diversity of our society, that it is not far-fetched to think that the trickle-down effect of these measures is bound to affect the standard of living of the man on the street. Remember, too, that in July we have Pensions coming on line. Coming to this Honourable House in June will be the Health Insurance proposals. These are the things to which the proverbial little man will also have to contribute. To this point there has been no assessment of the inflationary trends setting these things in motion is going to generate. Some of the concerns I hear are that we are being asked to bear too onerous a burden in such a short time. There is much credence to that argument. I contend that it will be six months before we feel the full effect of this tax package we are debating.

Without being able to adjust to those upsetting effects, we are going to have to prepare ourselves for the cost of pensions and health insurance.

Please understand, Mr. Speaker, that I am not debating the relevance or the effect, or the necessity of these. I am debating the timing. Let me be crystal clear in my position: I am not saying that I am against health insurance and pensions. I am saying that its timing, coupled with this, is going to be onerous on the very people whom the National Team Government is saying it wants to protect.

There is a section in here (part VII) which I understand some persons claim is discriminatory—Licence fees for local vessels. It reads that Members of the Cayman National Watersports Operators Association are levied a fee of \$25, but non-members are levied significantly higher fees. My position is that if it is discriminatory, we should not have it. From my position I can only ask that this be given further consideration so that those persons who now claim they are being discriminated against can be treated on equal terms.

I note that some of the Planning fees have been waived, the reason being that this is going to benefit the little man, particularly the first time home builder/owner. On the other hand, cement has been levied a 25% increase. So what we are doing is giving with one hand, but taking back with the other. The little man uses cement too. Almost all of the houses constructed here are made from cement blocks, with cement figuring highly in the equation.

Let us not forget the rise in gasoline, going from 25 cents to 50 cents per gallon—doubling. That will also affect the little man. In a country where there is no organised system of public transportation, the majority of the working population here are motor vehicle owners. Those who do not own a motor vehicle and take the public transportation (however rudimentary it may be) will also be affected because the bus driver and bus owner (if they are good businessmen) cannot but pass on the increase to the fare-paying customers. Remember now, it is not

just the doubling of the duty on gasoline, it is also increase in licence fees on the bus, inspection fees, driver's licence—all of that adds up to a significant package. It is going to have an immediate trickle-down effect on the little man.

There is one item, that when taxes are levied on it everyone is going to feel, and that item is energy. The previous Government came with a 25 cent surcharge on diesel. That Government was hounded out of existence because of that.

I do not know what we want to do in this country because when I see packages like this I am left to wonder if we have not taken leave of our good senses. Restaurants are going to be hit, bars are going to be hit, condominiums are going to be hit, hotels are going to be hit... Mr. Speaker, it is not far fetched to say that a year from now we may have to use a magnifying glass to find a tourist!

I am but one person, an insignificant player, because the National Team has the numbers. But I can say that I cannot—and I have searched my heart—find it in me to support this package.

The Speaker: The Member for North Side.

(3.56 PM)

Mrs. Edna M. Moyle: Thank you, Mr. Speaker. I rise to give my support to a Bill entitled, The Miscellaneous Provisions (Fees and Duties) (Temporary) Bill, 1997.

We have heard much about the National Team having the numbers to do this and that. We have heard that they are advocating dictatorship. We have heard that when the 1988-1992 Government put the surcharge on diesel it was the downfall of that Government. I believe that the National Team consists of men and women who are looking for the betterment of this country and a way to provide facilities, rather than a way to be re-elected, although that does play a part also.

As far as my memory serves me, the procedure taking place here today has been the procedure for many years in these islands. The need to bring about the increase in these (let us not call them) 'taxes' (but we must for want of a better word) is due to the fact that the general public is constantly crying for better roads, better education facilities, upgrading of the present education facilities, for better hospitals and health care centres in the districts to be open eight hours a day, staffed by doctors. I would like to ask the question: How is the Government going to provide these facilities without the people contributing?

No Government likes to bring about new tax measures, and the National Team Government is no different. But we have to bite the bullet in order to provide these facilities. There are one or two areas that I would like to briefly speak on, one being motor car import duty. I will read from the *Hansard*, 3rd March, 1977, the last occasion when this duty was increased. We all remember that in 1974 that percentage was 33.3% and the Honourable Member from East End in 1977 brought a motion to lower

that to 27.5%. I will read the words from his winding up on the debate of his motion:

“Mr. President,...I now ask leave of this Honourable House to amend the motion by requesting that we lower the percentage from 33.3% to 27.5% instead, for two years from the time the law can be amended with a view to increasing to 33.3% two years from the date of the amendment coming into effect.”

The Honourable Vassel Johnson said: **“...I am willing to support the motion as amended that the import duty be decreased from 33.3% to 27.5% for an interim period of two years by which time it is reintroduced to 33.3%”**

It is now some 20 years later, and we are looking to put an increase on a certain priced car. We have heard so much today about the ‘little man’, and I include myself among those considered the ‘little man’. We can all afford a CI \$20,000 car. I believe that if I am in a financial position to afford a motor vehicle for CI \$30,000, I should not quibble at paying the additional duty: because I am the one who wants the asphalt roads—not chip and spray, because that would damage my expensive car! The only way I can get that is if I am prepared to bear the cost of providing it. If I know I cannot afford a \$30,000 car, then I should not buy one.

We must get our priorities straight. If we can only afford a \$20,000 car, but we buy a \$40,000 one, and then later on seek assistance to get a house... I cannot agree with that. Those are my feelings on the motor vehicle duty.

The other area I would like to speak on is in the area of the 25 cents being imposed on gasoline. I implore the Government to give some consideration, particularly to the people of my district who have to travel the longest distance for employment—because there is none for them in our district—and most social events are held in George Town. It is my intention to move a motion that this 25 cents be reduced to 20 cents at the committee stage. I ask this Honourable House to support me in that motion.

We have heard that we are going to kill the tourism industry. I, too, had concerns when I saw the new measures on alcohol and cigarettes. But if it is my choice to smoke, then I must be prepared to pay for that habit. We get the impression that the tourists come to the Cayman Islands for one reason—to drink, get drunk and have a good time. That is not my belief. I think we should stress that the Caymanian people are the ones who make the tourists return year after year, not the cost of an alcoholic beverage.

The people in the tourism industry must look fairly at the increase in cost per bottle of alcohol which Government is adding, and not pass that increase on to the tourist by 5,000%. They are the ones who will lose in the long run. They must be good business people and make the increase a fair amount.

I support the measures presented by the Financial Secretary. I would like to thank him for saying that he, together with the Government, would be giving consid-

eration to those persons who ordered motor vehicles before these measures came into effect. I think they should be given some consideration also because they no doubt went to the banks and arranged for loans (there are not too many of us on this Island who can buy a car without a loan), and made arrangements for the price with the duties as they were.

In opposing this Bill (as is their right), some of the Members have also opposed the measure the Government has taken of lifting the 7.5% stamp duty for young Caymanians buying their first homes. I am certain that all of us here in this Parliament would be proud to see all of our young Caymanians move into their first owner-occupied home.

I support the Bill. Thank you.

The Speaker: The Fourth Elected Member for George Town.

(4.04 PM)

Dr. Frank McField: I rise to make a few comments and observations in regard to A Bill for a Law to Increase Miscellaneous Fees and Duties. In an attempt to reaffirm my position in this Legislative Assembly as an independent candidate, and because of my dislike for any form of intimidation—whether it be outright or indirect—and because of my love of the concept of freedom of association, freedom of choice, and freedom of speech, I am making my comments not to criticise the National Team Government in its attempt to give this country the type of social and economic direction it badly needs; nor am I making these comments to take advantage of the fact that perhaps they had no other alternative but to introduce revenue raising measures. I will not attempt to play politics here and confuse the people of these islands who badly need some type of explanation as to what type of system they really do live in and how they can best afford to live in this system.

I realise that ‘tax’ is a bad word. It has always been a bad word because, given the nature of a human being, we are all selfish and would prefer to keep all that our labour affords us. Even back in the days of Moses, it was noted that without the people themselves reinvesting in the social contract, in the covenant, in the relationships, it could not be sustained at the level God himself demanded that contract, covenant, and social relationship be sustained and upheld. So, in all of history there is some fairness to give credit to those people who perform the dangerous task of introducing measures that will become unpopular among the people.

It was said by an earlier speaker that the rich do not pay taxes, only the poor do. I tend to agree. I tend to also be a critic of indirect taxation. I tend to believe that as long as we support an archaic system of taxation we will always be inflating the cost of living and therefore hurting the poorer people—the people who can least afford to pay.

I think, though, that since there has never been any attempt to truly examine this system, or the ways to per-

haps bypass it and therefore spare the 'little man', it would be unfair on my part to come here today and say that I totally disagree with these measures because I have no alternatives. I believe that the Government must have money to run the country. I believe that this is a beautiful country—though I believe the picture painted by the Financial Secretary is not the picture that I really know.

I believe when the Honourable Member talks of this country being a prosperous country, where the standard of living is the highest in the Caribbean, he is talking about special people but not all the people—not a lot of the people I know. These islands have not really changed very much for a lot of people, in fact. That is why any attempt to raise revenue in this country will hurt them. They will be crying out to their representatives asking, 'How can we bear the burden of this glorious country you all talk about, where the rich can feel rich and live in first world standards, while we are living in third world standards?'—because the burden of taxation has been placed upon the poorer people in this country. There is no escape from that unless we re-examine our methods of taxation.

I heard one Member say that an impact tax is a form of direct taxation—implying, of course, that this is wrong. But we must also see that those persons who can most afford it, should be compelled by moral and spiritual obligation to contribute to the upholding of our moral and social order. I think that is only fair, and I would not take any opportunity to criticise any Government (be it the National Team Government, or the Dignity Government, or the Unity Government) because they are all put in the very difficult position of having to make provisions for collecting revenue for the general benefit of the country.

I think it is important for me, as a new Member of this House, to express my lack of understanding on how it is possible that we are asked to speak on these issues without really having had the time to think about them and to get feedback from our constituents as to how they really feel these issues will affect them. In the final analysis, it is not how I feel about these measures, but how the people, the voters in this country feel about it.

I am no different than a shopkeeper. The customer is always right—the voter is always right. Regardless of whether the Government finds that these tax measures are correct or not, the people are always right. If the people are going to feel that they are inconvenienced by these forms of taxation, then it is my obligation to hear that and express it to this Honourable House. I believe that it is also time we understood that the Parliament is a collective institution, and dialogue and discourse should continue to flow between the different sides and positions. But if positions are so well taken outside of the Parliament that debate does not have to happen in the Parliament, then, Mr. Speaker, I do not know why I am here.

I am here because I believe that by debating and asking people to lend me their ears and consciences I can effect some type of reasonable and rational change in this country. But if our positions are made outside of

this House, then there is no reason to come here—it becomes only a formality.

With regard to the increase in terms of cigars, for instance, where we are moving from 85% to 150%—and I am going to mention this because it was mentioned to me by a constituent—somehow this does not seem to have been well thought out. The Member for North Side said that she would like to see something done about the price of gasoline because her constituents travel further than my constituents. I would like to see something done about the 10% duty on leather, for instance, because leather is also a part of our 'duty free' concept. I do not understand at this time why that particular duty free item was imposed with a tax.

I do not understand why we pay duty on butter and eggs. Why is ice-cream duty free when we pay for butter? I know that in some countries people eat bread and butter because butter is very tasty, especially if you put salt on it. I do not understand the logic of our taxation system anyway, and I was hoping that in my debate on the Budget Address (which I had hoped to give before this debate), I would have had the chance to give a contribution on the logic of some of the things we do in this country.

I have always been a firm believer that there should be no duty on foodstuffs. As a credit to the National Team for what it has tried to do, I appreciate the fact that they are taking the duty off some of the foodstuffs (one, or two items); I do wish they would take it off all items.

I want to also say that since I was not responsible for policy over the past four years, I am not going to take responsibility for the money that has been spent over the past four years. I am not going to take responsibility, simply because I was not involved in determining the priorities of this country. The Member for North Side said that the people want, and want, and want. Sure the people want. But we must also be brave enough, bold enough and man (or woman) enough to tell the people sometimes that their wants will cost them. Therefore, it is our obligation as Members of this Honourable House to see that the desires and expectations of the people do not go above what the people can afford without hurting their very existence.

(Some Members - Hear, hear!)

Dr. Frank McField: We must keep this whole thing in perspective. It is unfortunate that the political institution being what it is, means that somehow the politician's ego can only be supported if the politician does; and the politician can only do if the politician spends. Once the politician spends, money must come from someplace to pay for how he spends, and it must always come from the people—and in the end, it must always come from the poorer people.

I am not going to say 'No' to this Bill—although I might debate later on that the pension and insurance should be staggered and not brought in all of a sudden, and that perhaps we are getting a little bit too ambitious. At this particular time I am not going to vote against this

Bill. I am going to vote for this Bill with the consciousness that we cannot continue to develop this form of taxation any further. Forty-five percent of the Government revenue comes from indirect taxation. If we put the price of anything up it will affect the consumer whether or not that consumer is a resident of the Cayman Islands or a tourist. Eventually it affects everything.

There will be repercussions, but I am not saying that there would not have to be some law with regard to revenue measures. I am not saying that somehow I am not going to support the Government's attempts to balance their budget and to pay for these things. But I am saying that this is the last time.

We have to find other means of raising money. We have to put our thinking caps on. I am asking the Honourable Financial Secretary to do whatever he can with his department to find other ways of raising money. The people of the Cayman Islands have paid enough! The poor people in this country—although getting something back by way of social, educational and health development—should be able to decide whether or not they should spend.

I vote for and support this Bill, Mr. Speaker, with the hope and a prayer that the Government will do all within its power to see that this type of taxation is eradicated.

The Speaker: Does any other Member wish to speak?

Mr. Linford A. Pierson: Mr. Speaker, I would like to speak, but there are just ten minutes left.

The Speaker: Would anyone like to speak for a short period of time?

Mr. Roy Bodden: Mr. Speaker, in view of the fact that there is a Commonwealth Parliamentary Association function this evening, and that we are well into the afternoon, could we entertain a motion for the adjournment at this time, sir?

ADJOURNMENT

Hon. W. McKeeva Bush: Mr. Speaker, it seems that Members are willing to adjourn at this time. Accordingly, I move the adjournment of this Honourable House until 10 o'clock Monday morning.

The Speaker: The question is that the House do now adjourn until Monday morning at 10 o'clock. I shall put the question. Those in favour please say Aye... Those against No.

AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned.

**AT 4.20 PM THE HOUSE STOOD ADJOURNED UNTIL
10.00 AM MONDAY, 17TH MARCH, 1997.**

**EDITED
MONDAY
17TH MARCH, 1997
10.51 AM**

The Speaker: I will ask the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation to say prayers.

PRAYERS

Hon. Anthony Eden: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated.

Oath of Affirmation to Mr. Donovan F. W. Ebanks, Deputy Chief Secretary, to be the Acting First Official Member. Mr. Ebanks, would you come forward to the Clerk's table, please?

**ADMINISTRATION OF OATHS
OR AFFIRMATIONS**

OATH OF AFFIRMATION

MR. DONOVAN W. F. EBANKS, MBE

Hon. Donovan Ebanks: I, Donovan Ebanks, do solemnly and sincerely affirm and declare that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors according to law.

The Speaker: Please take your seat, Mr. Ebanks, as the Acting First Official Member. On behalf of all Honourable Members of this Legislative Assembly I welcome you during your period of service.

Questions to Honourable Members/Ministers. Question No. 11, standing in the name of the Third Elected Member for Bodden Town.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

QUESTION NO. 11

No. 11: Mr. Roy Bodden asked the Honourable Acting First Official Member what is Government's policy and procedure regarding the placement of returning graduates in the Civil Service.

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: Government provides financial assistance for study overseas at the tertiary level, primarily through the Education Council. The ambit of the Education Council is to support the development of skills based on national needs, and not merely on the needs of the Public Service as an employer.

Forty-eight Caymanians are scheduled to complete their tertiary studies around the middle of this year. Of these, 47 were assisted by the Education Council and one was assisted by the Personnel Training Unit on behalf of a particular agency of the Civil Service. As a condition of providing assistance, the Education Council requires beneficiaries to agree to make their services available to the Civil Service for periods of up to four years. While there is no written policy on the placement of these returning graduates within the Civil Service, every effort is made to ensure that all agencies of the Government are afforded the opportunity to employ them.

The procedure for placement of returning graduates in the Civil Service is as follows:

- ◆ a list of returning graduates is obtained from the Secretary of the Education Council;
- ◆ possible positions are earmarked based upon vacancies in the Service;
- ◆ returning graduates are requested to submit an application form, résumé and an indication of their preferred area of employment;
- ◆ returning graduates are interviewed by a panel set up by the Public Service Commission;

- ◆ the Public Service Commission then advises the Governor on the appointment to the Civil Service;
- ◆ the Governor approves the appointment which is subsequently formalised by the Personnel Department.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member say what the timeline is for submission of an application by these returning graduates?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: I am not certain what the Member means by 'timeline'. I can say that individuals are requested to submit their applications prior to completion of their studies, preferably sometime during their final term or semester.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Is the Honourable Member in a position to say if upon submission of these applications any informal discussions are held with the graduates, and if the graduates are informed of any inability to meet the wishes of their employment in any particular area of the Government?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: Graduates, or students prior to graduation, are encouraged to meet with a representative of the Personnel Department their last year of study. Indications as to what is available would normally be given, but no formal offer is made until the applications are considered and the advice of the Commission is given and decisions taken as to who is to be employed.

The Speaker: The Member for North Side.

Mrs. Edna M. Moyle: Would the Honourable Member say what the procedure is if a graduate with, say, a degree in civil engineering returns and there is no vacancy in the Civil Service, seeing as the students are bonded to the Cayman Islands Government?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: In the event the skills of a particular student are not required within the Civil Service that information is conveyed to the Education Council. The decision as to what to do in respect of the bond is a matter then for the Council.

The Speaker: The Member for North Side.

Mrs. Edna M. Moyle: As we know that the Civil Service cannot absorb all of the students to whom we are now giving scholarships, can the Honourable Member say if any procedure is being put in place to allow these returning graduates to work in the Cayman Islands rather than be employed in the Civil Service?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: That is a matter for the Education Council to consider, but I would expect they are cognisant of the situation in terms of the demands on the Public Service as an employer, and that they will make alternative arrangements for immediate graduates as well as for those in the future.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member say if there is any orientation offered to the returning graduates who are successful in gaining employment in the Government sector?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: There is not much offered at the current time in terms of formal orientation, but it is something that is being looked into. The Service realises that a better job needs to be done.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: I wonder if the Honourable Member can confirm whether or not Government has an entry level salary for these young returning graduates.

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: There are varying entry levels, depending upon the area of study. Many of the graduates are placed at what is called an Administrative Officer - 3 position. Students who are qualified in architecture, engineering, law, etcetera, are placed in a slightly higher level at AP 1-2 scale. Graduates in medicine and veterinary science are placed a bit higher than that. It varies.

The Speaker: The Member for North Side.

Mrs. Edna M. Moyle: I wonder if the Honourable Member can tell us if this one scholarship holder who is being assisted by the Personnel Training Unit is studying for a degree to head up that particular section of the Civil Service eventually?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: That assistance relates to studies in the field of architecture. Certainly, with that the indi-

vidual would have the potential, subject to his continued development, to head that section eventually.

The Speaker: The Member for North Side.

Mrs. Edna M. Moyle: I am a little bit confused that the Personnel Training Unit on behalf of a particular agency of the Civil Service is training someone in architecture when we really need training for that particular unit itself. I wonder if the Honourable Member could say why the Personnel Training Unit has taken upon itself the responsibility to train someone by offering assistance in a field other than Personnel?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: The Personnel Training Unit serves as an agency to oversee Government's training investments. As such, in respect to this individual it has simply provided the services of brokering, in effect, the arrangements with the institute abroad where the person is studying. Monies for the training are provided in a centralised vote under the control of the Personnel Training Unit. As such, they make the arrangements for the individual's study.

READING OF MESSAGES AND ANNOUNCEMENTS BY THE SPEAKER

APOLOGIES

The Speaker: If there are no other supplementaries, I have apologies from the Honourable Minister for Agriculture, Environment, Communications and Works, who will be arriving late this morning; and from the Fourth Elected Member for West Bay, who will be absent.

Question No. 12, standing in the name of the Third Elected Member for Bodden Town.

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

Mr. John D. Jefferson, Jr: Mr. Speaker, on a point of procedure. It is now 11 o'clock, I think we need to suspend Standing Orders in order for questions to continue.

The Speaker: Thank you for calling that to my attention. Would a Member please move the suspension of Standing Orders?

Mr. Linford A. Pierson: I so move, Mr. Speaker.

The Speaker: Thank you, Third Elected Member for George Town.

The question is that under Standing Order 83, Standing Orders 23(7) and (8) be suspended to continue Question Time after 11 o'clock. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. STANDING ORDER 23(7) AND (8) SUSPENDED TO ENABLE QUESTION TIME TO CONTINUE.

The Speaker: Question No. 12, standing in the name of the Third Elected Member for Bodden Town

QUESTION NO. 12

No. 12: Mr. Roy Bodden asked the Honourable Minister for Tourism, Commerce and Transport to provide the expenditure to date made by Government on the Pedro St. James Restoration Project.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: The Pedro St. James Restoration Project's expenditure to date is as follows:

◆ Research	\$120,000.00
◆ Restoration	230,355.00
◆ Slate roofing (material and labour)	75,000.00
◆ Framing contract:	
Labour	\$176,000.00
Material	11,012.00
Mahogany railings (material and labour)	57,119.28
Mahogany flooring	77,646.57
Electrical	12,000.00
Design (Survey fees; building consultant fees; archaeologist; mechanical and structural design; clearing of site)	\$219,400.00
Project fees CHRM	347,307.00
Project management expenses	240,113.51
Interpretation package	105,875.00
Security Services	12,891.00
Period furnishings	51,745.00
◆ Site work:	
Construction of washrooms	27,000
Construction of walks, pathways, bake oven, preparation of garden for irrigation & planting:	90,000
◆ Total:	\$ 1,853,473.36

SUPPLEMENTARY

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister say what total amount is remaining for the completion of the contract, and whether the work will be finished on schedule as per the contract?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: The restoration of the Castle building itself is due for completion in about one month's

time. The completion of the entire project will take additional time because we have out to tender at the moment the visitor's centre, which includes a multi-media theatre, restaurant, gift shop and wash rooms with parking for 150 or more vehicles.

The visitor's centre estimated cost is in the region of \$1.5 million, and the remaining cost for the Castle itself I will undertake to provide in writing to the Member.

The Speaker: If there are no further supplementaries, the next question is No. 13, standing in the name of The Third Elected Member for Bodden Town.

QUESTION NO. 13

No. 13: Mr. Roy Bodden asked the Honourable Minister for Tourism, Commerce and Transport if any of the building materials stolen from the Pedro Castle restoration project have been recovered.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: The incident has been reported to the Police but the missing buildings materials have not been recovered to date. However, the Cayman Islands' Government did not bear any loss in reference to this incidence. The contractor submitted a claim to his insurance company for which settlement was made in full.

SUPPLEMENTARY

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister tell the House what steps have been taken to prevent a recurrence of this theft?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: We have added additional security to the area.

The Speaker: If there are no further supplementaries, the next question is No. 14, standing in the name of Fourth Elected Member for West Bay.

I note that he is absent, so I ask that a motion be moved under Standing Order 23(3) to defer that question. The Honourable Minister for Education, Aviation and Planning.

DEFERMENT OF QUESTION NO. 14 STANDING ORDER 23(5)

Hon. Truman M. Bodden: Mr. Speaker, I beg that under Standing Order 23(5) Question No. 14 be deferred until a later Sitting.

The Speaker: I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. QUESTION NO. 14 DEFERRED.

The Speaker: The next question is No. 15, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 15

No. 15: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister for Education, Aviation and Planning to state if there are any immediate plans to establish a Primary School in Little Cayman.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: No, there are no immediate plans to establish a primary school in Little Cayman, but the situation continues to be reviewed from time to time.

SUPPLEMENTARIES

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister say whether any private institutions have expressed an interest in establishing such an educational institution on that island?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Yes, the established church there, the Baptist Church, has expressed an interest to do so. We would be very happy to work with them if they find after doing a survey that it is needed, and if they wish to go on with it.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister say if there is a minimum number of students required before the Education Department would consider establishing a school in Little Cayman?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: There is no specific number. I guess there would have to be a reasonable number of students there. The other matter that would have to be looked

at is whether or not it is catering for younger children in primary school, which may be easier to do. As you go higher and higher in primary and high school it becomes more difficult. However, I think that it probably may well be worth it for the church to investigate a Kindergarten into early primary, for example, as normally it would be people who go there from Cayman Brac who would like their children to be there during the week.

I am not certain about the actual number, but what I would say is that we are always happy to work with Cayman Brac and Little Cayman, and with both of their MLA's, to assist in any way that we can. This is one area where I would be very happy to assist.

The Speaker: If there are no further supplementaries, the next question is No. 16, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 16

No. 16: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation to say whether or not there are plans for the provision of a full-time or part-time physiotherapist for the Faith Hospital in Cayman Brac.

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: I am pleased to say that a full-time Physiotherapist's post for Faith Hospital in Cayman Brac has been requested under "New Services" in the 1997 Budget.

SUPPLEMENTARY

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister say how patients from Cayman Brac and Little Cayman are being treated at this time if they are in need of Physical Therapy services?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: Visiting Physiotherapists from the George Town Hospital go over at present. But this is not good enough, as we know Physiotherapy is one of the procedures that needs continuation. That is why we are asking for a full time therapist for Cayman Brac.

The Speaker: The next question is No. 17, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 17

No. 17: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister for Health, Drug Abuse Prevention

and Rehabilitation to say if there are plans for a nurse to be stationed in Little Cayman.

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: A project proposal for the enhancement of health care provision in Little Cayman is currently being discussed by Senior Managers of the Health Services Department and by staff in my Ministry. This proposal includes increased frequency of doctors' visits and the stationing on Little Cayman of a resident registered nurse with emergency room experience.

SUPPLEMENTARY

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister say how frequently a doctor and/or nurse now visit the island of Little Cayman?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: Once every two weeks at present. It is intended to increase that to weekly visits by May of this year.

The Speaker: The next question is No. 18, standing in the name of the Third Elected Member for George Town.

QUESTION NO. 18

No. 18: Mr. Linford A. Pierson asked the Honourable Minister for Tourism, Commerce and Transport to state whether Government has officially, or unofficially, entered into any form of arrangement with Cuba to assist them with the development of their tourism industry.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: The answer is no.

SUPPLEMENTARY

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Would the Honourable Minister say whether any consideration is now being given to providing such assistance?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: There is no consideration being given to this matter at all.

The Speaker: That concludes Question Time for this morning.

Statements by Members/Ministers of Government. The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture.

STATEMENTS BY MEMBERS MINISTERS OF THE GOVERNMENT

SELECTION OF A MALE AND FEMALE FOR THE AWARD OF SPORTS PERSONS OF THE YEAR

Hon. W. McKeeva Bush: Mr. Speaker, at the beginning of each year the Ministry announces the name of the person (one male and one female) chosen as Male and Female Sports Person of the Year. The selection process starts in October when every national association as well as members of the public are asked to submit the names of suitable candidates. These nominations are screened by the Selection Committee and sent to the Ministry of Sports, Women's Affairs, Youth and Culture to be released early in the new year.

The criteria for selection are as follows:

1. Outstanding performance in their sport in the preceding year.
2. Must have assisted or contributed to the development of their principal sport or another sport in the proceeding year.
3. Must be a good role model.
4. Must be Caymanian.

I am very pleased to inform this Honourable House that the Female Sports Person for the year 1996 is Cydonnie Mothersill, whose sport is Track and Field. She won gold medals in the 100m (11.38 secs); and 200m (23.48 secs) in the CARIFTA Games and was awarded the Austin Sealy Trophy for her outstanding performances in that tournament. She represented the Cayman Islands at the Olympics in Atlanta in 1996, and the World Games in Sydney Australia the same year.

The Male Sports Person of the Year is Charles Whittaker, whose sport is Boxing. To date, Charles has had 13 fights. He won nine and lost four. He has won seven of these fights by knock-out. On the 17th of November, 1996, Mr. Whittaker fought for the vacant World Boxing Federation Middle Weight International title, but lost this fight on a point decision.

Both of these athletes are currently based in the USA, but assist their respective sport whenever they are on the island. I would like to take this opportunity to congratulate all the other nominees as well as Mr. Whittaker and Miss Mothersill, and to implore all of our young people to strive for excellence and to be the best that they can.

The Speaker: Government Business, Bills. Continuation of debate on a Bill entitled, Miscellaneous Provisions (Fees and Duties) (Temporary) Bill, 1997.

The Third Elected Member for George Town.

GOVERNMENT BUSINESS

BILLS

SECOND READING

THE MISCELLANEOUS PROVISIONS (FEES AND DUTIES) (TEMPORARY) BILL, 1997

(Continuation of debate thereon)

(11.26 AM)

Mr. Linford A. Pierson: Thank you, Mr. Speaker.

I rise to make my contribution on a Bill for a Law to Increase Miscellaneous Fees and Duties. I propose to discuss this matter in three sections, trying to point out the purpose for these increases, dealing with the effects these increases may have on the economy and the people of these islands and the negative trickle-down effect, along with certain recommendations.

On the purpose of the Bill, the Memorandum of Objects and Reasons states:

"This Bill seeks to give effect to the changes in rates and duties as set out in the Table in the Schedule and as specified in the special resolution of the Legislative Assembly made on 12th March 1997 in respect of customs duties.

"In order to effect such changes several Laws and regulations have been amended by the Bill. Such Laws include the Stamp Duty Law, the Customs Tariff Law, the Companies Management Law, the Insurance Law, the Immigration Law, the Traffic Law and the Mutual Funds Regulations."

It also states, inter alia, **"The Tax Collection Law has been amended to repeal the boat licence charged under section 5. This licence has been replaced by a local vessel licence fee which is chargeable on local boats and ships."**

What I find strange is a statement which reads as follows: **"A member of the Cayman National Watersports Operators Association shall be required to pay only \$25 per boat or ship for each boat or ship owned by that member while other owners of vessels must pay the fees according to the rates set out in clause 15."** I find this somewhat discriminatory as there could be other Caymanian operators in their own private businesses that should be given a similar concession. It amazes me that this particular group would have been pulled out of the group of operators and given special concession.

Before getting into the meat of my discussion, I wish to point out that under the Memorandum of Objects and Reasons, **"The Bill also provides among other things**

for - (a) the imposition of the development impact fee which fee shall take effect 3 months after the date of the commencement of this law;...” What is strange about this is that instead of encouraging development in areas other than the Seven-mile Beach area, it seems that this impact fee will discourage development on the Queens Highway and in other areas. Therefore, I am quickly led to believe that this whole exercise was somewhat rushed.

The other purpose of the Bill would seem to be to provide sufficient expenditure for the Capital expenditure of Government, which is some \$43 million. I will point out as I go along that the Government (perhaps with the best intention) is asking for too much, too fast.

In support of the horrendous Government increases and taxes they have said (and it seems somewhat simplistic) that the people want new roads and sports centres, therefore they must pay for them. One has only to walk on the street and talk to individuals and it will be quickly seen that people are very concerned about these massive increases; and that the very people they are purporting to help will suffer from these massive increases, especially the middle- and low-income individuals.

I was surprised to hear a very influential Member of Government say on Friday that the middle- and lower-income individuals will not suffer but benefit. With respect, I think that anyone thinking along those lines is taking a very simplistic view of the negative effects these massive increases will have on the economy and the people of these islands. One has to ask whether the wishes of the people are of paramount importance in this exercise and, if so, why are the politicians not listening to the people; or is it that the politicians are more interested in their political agendas?

The point I wish to make in my contribution is that as a past Member of Executive Council and past Deputy Financial Secretary that I am well aware of the way in which Budgets are prepared. As a past civil servant, I wish to make the point that I am not in any way blaming the Honourable Third Official Member responsible for Finance and Development for this Budget and these increases. I do not regard this as ‘his’ increases, because I know the procedure which is followed in the preparation of Budgets. He is given a job to do, and so far he has been doing a splendid job. If he wishes to take responsibility for these increases, and indeed for the Budget, that is completely up to him. But responsibility for this horrendous and massive increase in import duties and other taxes must lie firmly and squarely on the Elected Members of Executive Council, the Ministers of Executive Council.

Hon. W. McKeeva Bush: You can’t put the blame on any of us. You know how it’s done.

Mr. Linford A. Pierson: Nothing seems to have changed in this Legislative Assembly, because certain people still enjoy interrupting others when they are speaking. Well, I am used to that. It is no problem.

Hon. W. McKeeva Bush: I’ll show you four years.

Mr. Linford A. Pierson: The question is: Are the people’s wishes of paramount importance, or is it the fulfilment of the political agenda of Ministers of Government? The answer to that question has to be, when one looks at the \$43 million in Capital Expenditure, that the Elected Ministers of Government are trying to chalk up monuments unto themselves, without any consideration to the damage that can be caused to this country.

They will tell us that removal of the 7.5% land transfer stamp duty on Caymanian first owner-occupied homes valued up to \$125,000 and removal of stamp duty on land for Caymanian first owner-occupied homes valued up to \$25,000 is a major benefit to the people. But they are short sighted. What they are giving on the one hand (and it doesn’t take a rocket scientist to figure out that 7.5% on \$125,000 is approximately \$10,000), they are taking back with the other hand through the increases on cement that will be used for building the homes. They have increased taxes on the heavy equipment trucks that will be used to transport the material, and so on, and so forth. The same benefit they claim to be giving to the ‘little man’ they are taking back with the other hand. They have increased cement from 20% to 25%—not to speak of the indirect cost that will hit that same person, whom they purport to be helping, with the increase on motor vehicle tax. I have not touched the high cost —100%!— on gasoline, and so on.

They will say that they are looking after the ‘little man.’ They only think of the ‘little man’ when it suits them.

Hon. W. McKeeva Bush: Oh...

Mr. Linford A. Pierson: While they have not increased duty on motor cars up to \$20,000, they have slaughtered anybody who would save money for a car slightly more expensive. They are controlling the way in which you should live. They decide what is best for you. So, they are saying that they will make life a bit more bearable for the little man but will soak the rich.

I wonder if they have the slightest inkling that the rich did not get rich by being stupid? They were very prudent with their money. Can you imagine that any Government would increase gasoline, which is necessary for all of us, by 100%? If we had a public transportation system in this country I could understand why they would increase gasoline. But having a motor car is not a luxury in this country, it is a necessity. Instead of making life more difficult for those of us who have to use a motor car to get to work, and this stretches across a spectrum from the poorest to the wealthiest, they are making life more difficult.

I have not yet touched on the tourism and financial industries, I am just speaking first on those areas where they claim to have given something to the lower-income individuals, to show that they are giving with one hand, but taking back with the other.

In addition to the 100% increase in gasoline and the horrendous increases in the duty on motor cars, they have also increased the duty on motor car parts and accessories. This Budget is an inflationary Budget, it is a bad Budget and the Ministers of Government should take this

back to the drawing board. Anyone supporting this Budget is just as bad.

They have stated as one of the benefits that no increased charges will be levied on mortgage of land under \$300,000. It was already too high at 1%. They have abolished fees for boats under 18 feet. I think their crowning glory has to be the abolition of taxes on bicycles and dogs. It has to be that they have another policy for the people of this country because they are making it so difficult for them to use their motor cars. Now, in their good conscience, they are making it easier to ride bicycles so that we can become a bicycle-riding society!

(Members' - laughter)

Mr. Linford A. Pierson: Are they expecting the people of East End and North Side to ride their bicycles to work?

They have removed plumbing and electrical fees on houses under 1,500 square feet, and apartments under 600 square feet. As I stated earlier, that little benefit they give there has already been taken back in increased duties on cement and other increased costs.

They reduced fees for gun licences for farmers. That is a good thing. But the question is: How many farmers have gun licences and how many will benefit from this? But I must admit that this is a good thing.

The increase in duty allowance for returning residents from \$300 to \$350 has again been taken back in certain ways. They are talking about an environmental impact fee of \$2.00. This is a glorified addition to the travel tax. So what they have given with the one hand, they are taking back with the other.

They preach 'Buy Cayman' but they do things that encourage people to go abroad and shop. They are confused. This is due to a lack of proper planning. There is no planning in Government. In their five years they should have by now had a fiscal and economic plan. But they are a Government of management by crisis. This is not only the view of the Third Elected Member for George Town. This is generally felt throughout the islands.

They will tell you that they have done a lot of good for the people. They have taken the duty off ice-cream and yoghurt. These people have to be joking! Why not take it off of fruit and vegetable juice and butter and other such items? How many people are using ice-cream as a staple food? This Budget was rushed. It has no sensible basis to it. One only has to look to see if they even took the time to quantify the increases.

I will take my seat right now if a Minister of the Government can get up and tell me how much these increases are purported to raise in revenue.

(pause)

Mr. Linford A. Pierson: Mr. Speaker, I hear nothing but silence. They do not know. This was a hurriedly put together Budget and the enhancement measures were hurriedly put together. What they did was take a lump of Capital Expenditure and go around scrambling for revenue to

support it. That is why I say there was no plan. This is a Government of management by crisis.

One Member asked if I was not ashamed of myself for making these remarks. My position in this Honourable House, although it has been very difficult for me to get here, is to represent my people. Until the day I leave this Chamber I will do that to the best of my ability, without any personal vendetta against any Member. But I will speak on issues as I see them.

Let us now have a look....

The Speaker: I wonder if this would be a convenient time to take the morning break?

Mr. Linford A. Pierson: Yes, Mr. Speaker.

The Speaker: Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 11.48 AM

PROCEEDINGS RESUMED AT 12.21 PM

The Speaker: Please be seated.

The Third Elected Member for George Town, continuing the debate.

Mr. Linford A. Pierson: Thank you, Mr. Speaker.

When we took the break, I had just moved to the part of my contribution dealing with the effects of the horrendous increases on the tourism and financial industries. I was about to make the point that these two sectors comprise our economy. Each is believed to contribute equally to the economy.

Before speaking on the effects on the tourism industry, I wish to acknowledge that I am aware that certain Members of Government will take advantage of my position on this by suggesting that I am encouraging drinking and smoking. They are hoping that they will be able to get the support of the churches in this matter. It is amazing how many people know about the church when it suits them. But I think it is well known that I do not smoke and that I drink very little, if any. So it is not going to benefit me whether or not I can go into a hotel or restaurant and get a drink.

I believe that we have to move away from the simplistic side of this whole Budget and the enhancement measures we are now discussing, and look at the much bigger picture. We hear about the benefits being given to the little man. But if the Ministers of Government had taken the time to sit with their experts in the Finance and Development Department, they may have learned that there is such a thing as the 'trickle-down' effect. This trickle-down effect can be a positive one or a negative one. I am suggesting that this Budget will create a negative trickle-down effect for the people of the country, and will negatively impact on the middle and lower income individuals.

Let me explain what I mean by that. Because of the very high increases in taxes relating to the tourism industry, the net effect will be that many of those businesses will have to close down, or they will have to cause a retrench-

ment of their employees in order to keep afloat. What is keeping the tourism sector businesses alive is the amount of support they get from the tourists.

It is a well known fact that we cater to the upper end of the tourism industry market. But those same people would not be in the upper economic end if they had been fools. We need to learn that there are other tourism destinations where tourists can go. We are already pricing ourselves out of the market. These increases, I submit, will have the effect of killing the goose that laid the golden egg.

There are many destinations out there competing for the business that we have in the Cayman Islands. If the restaurant operators and owners, the hotels, guest houses, etcetera, are put out of business, then the ultimate negative trickle-down effect will be that the employee will be negatively affected. It will have a negative impact on those individuals. It does not take a brilliant economist or accountant to figure that out. If the prices are so high that the restaurants are unable to carry the same amount of business they were before, then the profits will be smaller. In order for the owners and operators to maintain a healthy bottom line, they will have to cut back on overhead. One of the first areas that is usually cut back is the staff.

The little benefits being derived from the 7.5% exemption on the home, will be taken back; worse still, many people receiving that exemption will be out of a job and unable to pay in any case. Banks will be calling upon them for payments they cannot make and their homes will be taken away from them. That is the negative trickle-down effect we are talking about.

A naive and simplistic approach taken by many Governments is that higher taxes equates with higher revenue. This is not the case. People want value for their dollar. They will go wherever they feel they can get the best value for their dollar.

We are talking about an already high tourism product. A glass of wine, costing something like \$4 or \$5, could go to \$7 or \$8. That is a situation that deserves very serious attention. The situation is so bad that I feel it is time that the Governor himself should take note of the public outcry in the interest of good Government.

I understand that there will be a meeting this afternoon of the Council of Associations. This is across-the-board representation of people in the hotel industry, the condominium industry, the restaurant association, the heavy equipment, the Chamber of Commerce...you name it, they will be there. How can the Ministers of Government ignore that kind of representation?

They can sit back and say, regardless of what merchants or anyone else says, that they are not changing these measures. But I suggest that in the interest of this country and the people of this country that they seriously listen to the public outcry. If this Budget with these enhancement measures are intended to assist the people, then they must realise that they should listen to the people. If they ignore the wishes of the people, one has to believe that these enhancement measures are to meet their own political agendas; that they are not looking at the national good of this country, but at the next election.

Mr. Speaker, I know that after I sit down you will not have to wait for somebody to get up and speak. I have already been told that I will be reminded about the 1988 to 1992 Government in which I was a Member of Executive Council. But there was a change in 1992, a landslide, and again in 1996. That suggests to me that the people were not happy with the last Government (1988 to 1992), and that this present Government would have learned from any mistakes made by that Government. This present Government was now the 'last' Government. This is their fifth year in power. It is time that they start to get things right.

When I speak about the Ministers' political agendas, I am speaking on the basis of information contained in the Capital Budget. I have taken the time to analyse their Capital Budget. I want to make quite certain that I understand this. There are certain necessities and essential services that must be met, continuing capital expenditures which have to be completed—I am speaking about such expenditures as improvements and building of new schools, certain roads, the hospital and so on. But if we do not have the funds, there is no need for us to rush everything in 1997. We can try to spread this expenditure over a longer period.

Why are we rushing ahead to spend over \$4 million on civic centres and sports clubs if the country cannot afford it at this time? Why not defer it until next year? What about the Harquail bypass? Is this regarded as so essential that it could not be deferred? What about purchase of certain lands for development of certain roads? What about the \$1.5 million that has been estimated to be used on the Pedro St. James Castle during this year? Can that not be deferred until next year?

When one considers (according to an answer to a question this morning) that the Government has already spent \$1.8 million on this Pedro St. James Castle, and that there is another \$1.5 million in the Capital Budget which equates to something like \$3.3 million, is this an essential service that cannot wait?

Let us give the Government the benefit of the doubt and say that we need these expenses. Why did they not quantify the revenue they hope to derive from these increases so that somebody would have an idea of what they are talking about? It is a true indication of this Budget and these enhancement measures being rushed. They were not properly thought out. The Ministers insisted that they wanted certain things done, so it was up to the Financial Secretary to get a Budget to accommodate them.

It is time that the Government move away. A previous speaker mentioned that the Budget process was somewhat behind the times. I have to agree. We are now considered a premier financial centre. We are number five in the whole world, after such places as London, New York, Tokyo and Hong Kong. Yet, our financial system is still in the 1970s. We are still trying to get revenue enhancement through increases in import duties and taxes.

One Member also mentioned that it is an inefficient system. I would not go as far as to say inefficient, but it is a well-known accounting and economic fact that an indirect form of taxation is the most regressive form. I would like to make it abundantly clear, before I am misquoted, that I am

not advocating any form of direct taxation. I am just making the point that an indirect form of taxation is a most regressive form. My reasoning for that is that the indirect form of taxation has to be borne by everybody equally, regardless if they are able to pay or not. The individual with the lowest income must pay the same price in the supermarket as the richest person in the country. That is the theory behind it.

Perhaps the Ministers of Government will now take note of what I have to say. There are other ways of raising revenue. I know there are some in Executive Council who know that. One does not always have to go to an increase in import duties or other forms of taxation. Why has the Government not looked at more sophisticated ways to raise revenue? I know a few, but they have not asked me. There are such things as, what I heard a Backbencher behind me say, treasury bonds. There are such things as ordinary bonds also. There are other areas of loans. They are proud to tell you that loans are divided into three categories: We have what is called local loans, financing from local revenue, we get financing from local loans and from external loans. The loan position now shows that the total public debt is being serviced by only 4.5% of our recurrent revenue. Has the Government thought of looking at that side of the picture to get an increase in their revenue?

Have they given any thought to the overall damaging effect that these increases are having, and will have, on the economy and the people of these islands? Look at the financial sector. Did the Government follow the recommendation of their Private Sector Consultative Committee? Or did they follow any recommendation from the Executive Advisory Group? Did they go to the Council of Associations and ask for their advice on any of these measures? No. They were hurriedly put together and dumped on the people of this country. We are being told that they have the numbers in the Legislative Assembly to pass these measures, and that we must take them or leave them. There is nothing that the people of this country can do except show their displeasure through meetings.

The only Members of this House who voted against these horrendous measures were the First Elected Member for George Town, Mr. D. Kurt Tibbetts, the Third Elected Member for Bodden Town, Mr. Roy Bodden, and me. This is an indication of where this Bill will go. So the people are being told 'You elected us and put us in the House, but we will do as we please. We know best.'

What was the criteria behind the increases in the duties on motor cars? How did they justify the increases in wine coolers? They were already paying \$1.50 per litre on a product that was already too expensive. What they have done now is add 100% on the c.i.f. value, thus making the product twice as expensive. This is before they added any profit onto the product. I want to make it abundantly clear that I am looking at the macro side of this issue. I am looking at the effect it will have on the tourism industry and on the economy on a whole; not from a personal point of view (because I do not drink or smoke), but because it is going to damage this country.

Hon. W. McKeever Bush: You must be looking at the macaroni side!

Mr. Linford A. Pierson: One Member does not seem to know the difference between macroeconomics and macaroni. No wonder we have so many problems!

When we go down the list on wines, high priced items, Champagne and so on, very exorbitant prices have been placed on all of them. They have told us by their very action that there is a veiled attempt for the philosophy of soaking the rich. When we squeeze the upper-income individuals too much they will take so much and no more and then go elsewhere.

It is true that they did give something back in return. They have made yoghurt and ice-cream duty free. Tea and tea concentrates are duty free. I do not know how many people will benefit from this. I believe that their crowning glory must be that they have abolished taxes on bicycles and dogs...

Hon. W. McKeever Bush: Mr. Speaker, on a point of order.

POINT OF ORDER
(*Repetition*)

The Speaker: May I hear your point of order?

Hon. W. McKeever Bush: The Member has repeated that line item about ten times in his debate. He is not getting anywhere with it, it is just repetition.

The Speaker: Honourable Member, you have used that analogy several times. Please move on.

Mr. Linford A. Pierson: I know my Standing Orders very well, indeed. So I have to tell that Honourable Minister who just interrupted me, that it was not really a valid point of order. But I would like to say to him that repetition bears emphasis. I know it hurts him when I point out the wrong things he has done. But, Mr. Speaker, this needs to be done.

Hon. W. McKeever Bush: Mr. Speaker, on a point of order. I am calling the Standing Order that deals with repetition which is perfectly correct. He says that he knows he is repeating, yet he tells me that I have not put the right Standing Order.

The Speaker: Third Elected Member for George Town, I understand what is being said, and I understand that you are trying to emphasise. But you have repeated the bicycle part of it on several occasions. I ask that you move along.

Mr. Linford A. Pierson: Thank you, Mr. Speaker. I will abide by your ruling. I always do. I knew that bicycle part would hurt some people. But I will leave that alone.

Hon. W. McKeever Bush: It takes more than a gun to hurt certain people.

Mr. Linford A. Pierson: And red Volkswagens also kill people.

There has been an across-the-board increase in financial service fees on banks, trust companies, mutual funds, insurance and company management. While increases in some of these may not directly affect the local residents, others will. For example, the banks and insurance companies will most certainly pass on their cost to all of their customers, including local customers. So, when they decided to increase the fees on 'A' banks from \$42,000 to \$80,000—some 90%!—one has to ask what the basis was for that consideration.

When one looks at the revenue position of Government, one can understand why there is need for caution. Rather than getting involved in such high increases in taxes at this time, I would have thought it more prudent for the Government to come forward with a Budget for 1997 that would have been good and acceptable in these islands. The revenue in 1996 was \$194 million. This year it has increased to \$231 million—an increase of some \$37 million!

Worse than that is the expenditure of Government...

Hon. Truman M. Bodden: Mr. Speaker, on a point of order.

POINT OF ORDER
(*Relevancy*)

The Speaker: May I hear your point of order?

Hon. Truman M. Bodden: The debate on the Budget is coming at a later date, the Honourable Member seems to be going into that now. On the point of relevancy, he should reserve his debate on the Budget for later on.

The Speaker: Previous speakers have rambled quite a bit, but let us attempt to stay as near on course as possible. Please continue.

Mr. Linford A. Pierson: Thank you, Mr. Speaker. As I said, I knew that a lot of people would be jumping up and interrupting me during my debate.

Mr. Speaker, I am not debating the Budget. They will know when I get to the Budget, because I have quite a bit to say on the Budget. I am still dealing with the reason for these increased taxes, showing what the revenue position was before these apparent 'good measures' were brought into effect, and what the expenditure position of Government was.

I am not surprised that they have brought these horrendous tax increases because since 1994 they have operated a deficit budget; they have been living beyond their means and it is no wonder that they have now had to bring such horrific enhancement measures to this House. They know that this is relevant to what I am talking about. There is nothing irrelevant about it! They are just trying to create mischief by stopping me and attempting to throw me off track.

I call upon each Member of Executive Council, especially each Minister, to give serious thought to withdrawing this Bill. It is a bad Bill, it will create hardship on the peo-

ple—not only the rich people whom they seem to want to soak, but it will have a negative trickle-down effect on the 'little people' they so often speak of. In my estimation these enhancement measures will create an additional burden by increasing the cost of living by some 15% to 20%. If what I am saying is not correct, I call upon any Minister of Government to prove me wrong.

We are only three on this side; and there are 12 other Elected Members, plus three Official Members. So the chances of our voices being listened to is very remote. But we would be remiss in our duties if we did not stand up as the champions of the people. As Representatives we have that job to do. We are not casting any personal aspersions on anybody, we are just dealing with the issue before this House. I want to make that abundantly clear. Whatever I say in this House is not meant to be taken personally.

In closing, I wish to again say that I do not regard this as a Civil Service Budget; I do not regard this as the Budget of the Honourable Third Official Member responsible for Finance and Development; I put this responsibility fairly and squarely on the Elected Members of Executive Council.

Thank you, Mr. Speaker.

The Speaker: Proceedings will be suspended until 2.30 PM.

PROCEEDINGS SUSPENDED AT 12. 55 PM

PROCEEDINGS RESUMED AT 2.43 PM

The Speaker: Please be seated.

Debate continues. The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeever Bush: I have listened to the various speakers on this Bill. I heard much criticism from the Opposition saying that this Government did not know what it was doing, and that we just grouped this together and put it out. According to the Opposition, we needed to plan this better.

The Members of the Opposition have had their say. So far, I have not heard any workable alternative offered by them. They have criticised and cast all kinds of aspersions, but they have not come up with any alternatives. If they have a workable alternative to what is being proposed in the Budget or in the revenue measures, they should now put it on the Table of this Honourable House.

I have heard no alternatives, but I have heard them holding arguments against their own argument. If any better alternative can be put before the Government by the Opposition, we would be glad to jump on it. Only a dead man cannot change his mind—if you have something good to offer, offer it!

In dealing with this briefly, we listened to the Third Elected Member for George Town. He has come back here with his old style of talking out of both sides of his mouth. "One does not always have to go to raising fees to raise revenue," he said. "I know," he says, "what to do," but we

did not ask him. "I know," says he, "treasury bonds are the answer." Well, how is it that the Third Elected Member for George Town knows so much now, but when he was in Executive Council he did not put those things in place? That was not such a long time ago. Four years. Not a long time. If there were good things, he certainly could have put them in place. Why, then, did he choose to go the other route twice, in 1990 and 1991? Why did he choose to increase everything when he was in Executive Council? We know that that Member does not have the answer, because he did not have it then. Certainly, over the passage of four years he did not seem to have learned what to do, even though he had the time to learn.

He complained about our taking the duty off of tea and tea concentrates. But who reduced it from 20% to 10%? Was he not part of the Executive Council that did that? He wonders who is drinking it now. The same people who were drinking it then! How short his memory is!

He talks about fuel. We did not raise duty on all fuel. There is an increase suggested by us now of 25 cents, and there is a proposal from the Elected Member for North Side that we should go down to 20 cents—and I think we should. I think it is something we can look at. But what did the Third Elected Member for George Town do when he was in Executive Council? He raised diesel—something which hit every person in this country! It even hit the dogs! He did not do it just once, he did it two years in succession.

He comes back in here again with the same smile and the same ability to talk out of both corners of his mouth. They went up on tobacco goods from 33% to 50%. They went up on Champagne and beer, two years in a row. They increased every item they could, simply because they did not have the management to bring the country around from the existing stagnation. Do you know what brought the stagnation? The bankrupt policies put forward by their administration.

I know that you will hear "that was in the past." If his presence here means that he is going to take over again, then history should teach us a lesson. They went up on unsweetened spirits, including liqueurs and table wines, on dessert wines, port, sherry, vermouth, Champagne, mineral oils and their products.... Not only did they go up on gasoline, they went up on diesel also, from 13 cents per gallon to 25 cents per gallon.

You talk about macroeconomics? If you know so much about macroeconomics, check out what that did to the public at the time. If you think that I do not know the difference between macroeconomics and macaroni...! (*Laughter*).

Then, as if that were not good enough, in 1990 they planned to hit us in 1991. They went from one slam-dunk on us in 1990, right into another one in 1991. Electricity—everything in the world that they could hit the little man (who he keeps referring to).... And he comes back in here with that language, when we know it means nothing to him because he was in here before and he did not help the 'little man' except to increase fees until he nearly forced him out of existence. He increased telephones and telephone equipment from 3% to 20%! Maybe that was the time he

re-negotiated the contract to give Cable & Wireless the increase.

I do not think that the Third Elected Member for George Town (while he says he is representing his constituency) should come here with this halo, saying "Put me back in charge because I did you no harm. I'm a good little boy." Oh yeah? I don't think so. I think he was a big part of it. And the biggest joke of all is his explanation regarding the Honourable Third Official Member—"This is not his Budget," you know, "this is the Elected Members' Budget." Yet, in the campaign he was 'kicking' my colleague, the Minister for Tourism, saying that it was he who put those items up, not us. Well, if that were so then, how come the present Financial Secretary has nothing to do with the Budget?

He says he knows the system. He should know, he was there. He was a senior civil servant, so he should understand quite well how budgets are put together.

I well recall his debate on the 1990-1991 Budgetary proposals. In those years they did not only tax the people, they transferred from the General Reserves and borrowed large sums of money. They hit us three ways: they took out of the savings account, hit us on what we were paying and then borrowed from the bank too. That's good management? I don't think so, Mr. Speaker. They still have not shed their cloak of irresponsibility.

In those years they spent \$13 million on capital projects. That is what they had budgeted. At the end of the day there were at least several more millions added to their capital budget. Yet, they complain now. Show me what they did for their capital budget. If they had done so much with it, we would not need to do some of the things we are doing today. Roads were neglected in spite of the grandiose schemes that they put forward. I say without fear of repercussion from anyone, that only their friends' roads, and only certain people's roads were fixed at that time. I know how much I pleaded and begged them—when fire trucks were still getting stuck between light poles, and people's houses were burning down because we could not get roads for them. If you cannot get roads for your people, who are you going to do it for? What are you collecting money for? What is this 'wellness of life'?

Don't talk about bad stewardship today. You know what is true, Mr. Speaker? We did not increase any fees to the general public in the four years that we were in Executive Council, 1992-1996.

Now, to get down to the best part. He feels that the present system of taxation is improper and not right for the country. Then what is the Member proposing? If this present system is archaic (as he says it is), then what is the Member proposing? Is he talking about income tax? Property tax? Capital gains tax? This is what he is talking about. He certainly cannot be talking about the system that makes contributions on the ability to pay; because if that was what he is talking about, he should have said that.

I believe that was what the Fourth Elected Member for George Town was talking about when he spoke about a contribution made on the ability to pay. According to the Third Elected Member for George Town, we are taxing the rich people out of existence. He cannot say that we are

hurting the little man and then hold an argument that in this Budget we are against the rich. It is either one or the other. That brings me to my feelings on what is proposed.

I have been here for 13 Budgets and at least the same number of Throne Speeches. This is the first time that the working man (the 'small man', the 'little man', whatever you want to call the average Caymanian) has had a break in the budgetary measures put before him. This is the first time it has happened. I have had my say, but everyone, including civil servants, made the Budget. Not just Elected Members.

My feeling is that we have not proposed a budget that will be to the detriment of average Caymanians. In fact, what has been done in some instances is to make people who can afford to pay. If you can own a Cadillac, a Volvo, a BMW, an Infinity, or a Lexus, and you want good roads to drive it on, then you need to pay a little bit more than the person who owns a Toyota Tercel. That is the hard fact of life. That is the system we should have had for years. I pled for it in 1985—when the Third Elected Member for George Town was in Executive Council—and they threw us to the wind. Today there is a move toward that end, but let's look at some of the things he criticised.

He has the audacity to come here and talk about the Council of Associations. I am not scared of the Council of Associations because if it comes up with a good idea it is the Government's responsibility, if it is better than what we have, to deal with it. I know that there are some good people in the Chamber of Commerce, and some bad people. I hear now they are telling their employees that they have to go to the great meeting planned for this afternoon. It is a pity that in 1994 and 1995, when I was trying to get benefits for the working man, those same people did not take them down to the Clarion, where they had another great meeting (but invited me!). They did not take them then, but they want them to assist today.

They incite the workers, as the Third Elected Member for George Town was attempting to do, to make them believe that this whole Budget is going to kill them; that it is too much of a burden on them. I can not see that, and I do not believe it from what I understood when we sat down with the civil servants and they advised us. If there is something wrong and they have a better idea, have them lay it on the Table. We are duty bound to listen.

He criticised the boat fee. He said that he found it discriminatory. Other boat operators should have been given the same relief. Does he not know what is happening in this country? Does he not know that the same people criticising this exercise are the people who are in full control, and have the monopolies at the hotels? Does he not know that the small man who operates in the North Sound is having to sell his boat?

I know you are going to hear that I have a boat. Sure, I have a boat which my brother runs. It's the family boat. I had that a long time before I got into Executive Council. Of course, you are going to hear that. Never mind, Mr. Speaker, they have said worse things about me before.

The truth is that an attempt is being made to relieve the small operator who is not getting the business in com-

parison to Red Sail Sports and a few others who have the main hotels, where the small man cannot go, tied up.

Let me tell you what goes on and why we need to do these kinds of things: We passed a regulation saying that a rack to hold all the brochures of operating Caymanians must exist in the hotel foyer. Do you know what they did? Instead of putting it in the hotel foyer—you had to get a compass to find it. Why? Because in the hotel foyer sits a desk that is manned by the dive operations to which they have given the monopoly to. In other words, the tourists could not even find the brochure, and would not know any other operation existed beside the one sitting in the foyer. That is the kind of thing that is going on in this country.

There is no desire on the part of the big business people in this country to allow the small businessman to operate in certain sectors. That is a fact. I stand here without fear of contradiction. He finds the boat fees discriminatory? The fact is that the vast majority operating anywhere else in another association already have it made. They have the cash, they can advertise, they can buy the bigger boats, they can advertise on the ships.... And they do it—not only on the ships, but in the market places where little Tom Brown out of Boatswain Bay, can't! I have no problem with that. I did not suggest it, but I have no problem with it.

The impact fee: How long have we been hearing in this country about an impact fee? Every time the Budget comes up, or the Throne Speech is debated, there is a major debate in the country about revenue or about over-development. We hear that we should put on an impact fee. I ask the Third Elected Member for George Town: How many times did he promise an impact fee and not put one in? Look at the budgetary speeches, and you will see the Third Elected Member for George Town promising it time and time again. He was going to make them pay—especially when it got close to 1992. Every word out of him was that he was going to create an impact fee. Well, this is what has happened.

The truth is that if people come here and they build a hotel, or a commercial centre, they create an impact. I get 'ragged' for talking about the stress on the country—on the roads, on the hospital, and on all of our infrastructural services—by immigrants coming into the country. Do you know what they say? I am not going to repeat it because Team Cayman might find another full page ad and print it. But it's the truth: The more people who come in, whether it's a school teacher, an accountant, or a clerk in an office doing mutual funds, they create a stress on our infrastructure. Big development is one of the main causes. Why should they not pay?

I cannot see this as discouraging development anywhere. If they believe that activity on the Queen's Highway is not full speed ahead, then they should go and check. There is no need to invite anyone, or give anyone an incentive to go up there to develop. It is developing hand-over-fist, as it is everywhere in this country.

He said that we were creating a hardship on the little man. On motor cars and station wagons, motor vehicle tax has increased \$30 for the year. So when a person goes to pay his motor vehicle licence, he will pay an extra \$30 on the year, from \$130 to \$160. They do not represent any

more grass-roots people than I, and I do not believe that this is a hardship on anyone. People want better roads. What are we supposed to do? Everyone is talking about the roads.

I do not necessarily agree that we should increase fees for taxis because there is a disadvantage to taxis, especially local taxis in this country. I say that without any fear of contradiction. I do not believe they should, until the situation where the cruise ships are giving the buses all the business is corrected. I don't buy the argument that we cannot tell them what to do. I have to be shown the facts on this, and I have not seen any. They come here and anchor in our port. We tell them where to anchor. Don't tell me that we can't tell them what goes on in our island!

I should say, quite rightly, that the vast majority of taxis will go out in that circle and will be there all day and hardly make anything, while the buses pile up with people. I am not saying that some taxis do not get business, but I am saying that the vast majority do not. It is an appalling condition, and I am saying that it is time for Government to take the bull by the horns and tell the cruise ships that if they want to come here they should abide by our rules and regulations. They cannot set the rules. That is my opinion. I do not have to ask anybody, sir. I know first hand. I see it.

When we look at the motor car fees, which the Third Elected Member for George Town complained about, look at what will hit the average Caymanian: He will only pay an increase of \$30 per year. His driver's licence has moved from \$45 to \$60, and that's an increase of \$15. It is an average of \$5 per year. You want to tell me that this is too much? I don't think so, Mr. Speaker.

The truth is (and some people will not like it) that they buy \$25 tickets to go to the Lions Centre, they buy cigarettes—things they do not need. They need roads to drive on. They have to work. I am not deriding anybody, or taking anybody's pleasures away. What we are saying is that these are small increases. As I said, the Third Elected Member for George Town does not represent any more grass-roots people than I do. He cannot stand in this House and tell me that I do not have any respect for the grass-roots people. One has only to check my Ministry and see what I have done for them. No one listening to this debate can say that I have tried to push them down. I have forever tried to lift them up in everything that I have tried to do. And this Budget—which I will be supporting—and these fees which I support (except for some areas that I think should be looked at, such as that suggested by the Member for North Side)... they cannot say that they are faring badly with this Budget.

So, when a person goes once per year to have his car inspected and licensed, he will pay something like an extra \$30 or \$40 in fees. Is that too much, Mr. Speaker? I do not believe so. It has been some 20 years... maybe I am wrong in that. There may have been an increase in 1985, I don't recall. But it has been many years, maybe more like 12 years, since these fees were increased.

Where else in the Budget can the Member find cases of the small man being hit? Garbage fees for private homes and apartments costs the Government a lot more than what it is receiving. We have chosen not to go up on

private homes and apartments simply not to affect the average Caymanian. Tell me where we are hurting the average Caymanian.

You go out there and stir up the people and talk about marches? For what? Now he says the environmental protection fee is only a glorified travel tax. Call it what you will, the fact remains that it needs to be paid. It is something that is not going to hurt anybody. If you are going to Miami to spend \$1,000 or \$1,500, you can pay \$8.00 or \$10.00.

The truth is that a lot of our people are calling for services and they do not realise how much it costs to provide them. We all want to live and have a better quality of life, but to have that we are sometimes called upon to pay more than we are paying.

I don't want anyone telling me that I am a rich person. My wife has to work too. The fact remains that they are not getting very much out there.

On the building permit fees: The plumbing and electrical rate is presently \$60 for a house of 1,000 square feet. What we are saying is that they will not pay anything for a house under 1,500 square feet. Does this not help the average Caymanian? If the Third Elected Member for George Town is blind, then let him put on some glasses and see!

On houses 2,500 square feet, it is still the flat fee of \$60. A house 2,500 but not exceeding 4,000 is 20 cents per square foot for all the Planning fees. So for a 4,000 square foot house it would be \$800. You want to tell me that if you are building a 4,000 square foot house you can't pay \$800 to get Planning for plumbing and electrical inspection? Those services have to be provided, otherwise we would be operating a country where everyone did what he wanted to do. You have to have Planning and these kinds of services. So if one is building a 4,000 square foot house, one is asked to pay \$800. That is not a burden for anyone who can build that house. Even if they build it over a period of years it is still not too high.

They know I have no qualms about the hotels and large commercial condos paying more than what they used to pay. Look at what the fees for hotels were: 239,204 square feet, paid under \$4,000. Look at the stress on the infrastructure. For an ordinary business of 8,000 square feet, \$316, plus \$30—under \$400. Service Stations, 4476 square feet, under \$200. Warehouses of 6,000 square feet, under \$300. Planning was operating and not getting back the cost for that operation. Yet everyone says that Government is spending too much money. Oh yeah?

I believe that is a fact in certain areas. There must be some reduction in expenditure. But the fact remains that when you offer services like garbage collection and you are subsidising people, businesses and houses—because the fact remains that Government was not only subsidising the average Caymanian's dwelling house, but it was subsidising businesses up to 25% on garbage fees. In other words, it was costing Government \$100 but all it was getting back was \$75 on businesses. That is an example.

They say that Government must reduce its expenditure, but if Government is going to reduce its expenditure, if the country is going to develop hand over fist, then how is it going to reduce its expenditure when Government is a service? I am dealing with Planning now. You want all this

development and you want Planning to be the regulatory body for it, but then Planning does not get its fees; they spend \$100 but only get back \$25. That is why recurrent expenditure is up. The facts must be stated.

In comparison to the import duties which the Third Elected Member for George Town raised when he was in Government... I heard him up there jumping up and down, saying "You are going to hurt the little man." Show me what in the import duties is going to affect the little man. He did not say; he just made a broad, sweeping statement.

I look at cement which is presently 20%. It will be 25% after the recommendations go into Law. So we are raising it 5%. Is this going to hurt Caymanians? That is an average of 14 cents per sack. The truth is—and let me deal with the Council of Associations and those MLAs who want to go to their meeting this afternoon to 'kiss up' to them—what has been happening in this country is a tremendous and appalling price gouging. That is the problem. The quicker we admit that—and the Third Elected Member for George Town alluded to it, but would not come out and say so—the truth is that those same people now gearing up to fight Government include all those who ran against us, and those who don't like us (and will never like us). It's no big thing. I have been through many storms before!

At the present rate a sack of cement costs \$2.88 per bag to import. I understand that the price is \$6.50. If that is not a downright disgrace, then you tell me so. If the Third Elected Member for George Town wanted something to rant and rave about, that is what he should have been saying, but the fact remains that the people importing it are his supporters. Of course, he would not touch that. He would make broad, sweeping statements.

Monuments to politicians? I do not believe in them. People see the type of monuments that McKeeva Bush proposes. We have one statue out there. That is what I am all about—not building grandiose schemes for anybody. I am about building people. A monument that was frightening was the Master Ground Transportation Plan for \$300 million.

So, if we put 5% more on cement, it is a further 14 cents. That would be \$3.02 first cost. If they put on 40%... someone do some quick arithmetic. How much would 30% for overhead be? He's an accountant, and I am relating my discussion to his discussion. Maybe he can tell me how much it is. I am sure that he did the exercise, but he will not come out and say so. The George Town people ought to know who is looking out for their benefits, when he comes to this House talking about all the increases but cannot say anything about the price gouging.

On arms and ammunition; sure, we have gone up—excluding farmers. Is that hurting Caymanians? No it is not. Leather goods, excluding footwear and furniture are now duty free, we are putting 10% on that. Does that hurt Caymanians? No. Those are things which are not absolutely necessary. When you look at the prices... and I have some supporters in that field and some small operators that I have a lot of respect for. But the fact remains, that when you check their prices they are absolutely ridiculous. The truth is that they have no call whatsoever to get riled up about anything. They are doing good in this country today.

They talk about the increase on boats, how it is killing tourism. Mr. Speaker, if a person can come in here with a big boat... let us look at the situation today. The average Caymanian bringing in a 14' or 20' boat has to pay import duties of 20% on that. The rich man comes along and brings in a 40' boat under its own power and it comes in duty free. It is still coming into the country, what is the difference? Oh, you must charge the little man but the rich can find a way to get out of it. I do not support that.

Everything creates a stress—on the road, on land and on the sea. Dredging is not the only thing that creates stress on the marine environment, it's the amount of business, the amount of diving and everything else. How much more can we do? So that cannot hurt the little Caymanian, as he said.

Let us look at motor cars: Up to \$20,000 value, the same duty is charged as at present. If you want to buy a Chevy or a Cadillac (a used one), or a used Dodge under \$20,000 value, you pay the same amount. Does that hurt the little man? If you thought that 27.5% was too high, why did he not reduce it when he was there? Exceeding \$20,000 and up to \$25,000 the duty goes up to 30%, and so on. These are high-end cars. The rich people (if you want to call them that) who can import Lincoln's, Infinities, BMWs, Mercedes Benz, Volvos or Cadillacs, should pay. They are creating a stress on the roads. In relation to this tax, it has not been increased since 1977.

I think we have done well with the amount of road work that is needed. Just look at the amount of work that has to be done, and the number of new roads needed. Maybe we can look at a system where revenue is derived (and my friend, the Honourable Third Official Member may not agree with me) to pay for the roads, then we will get better roads quicker. So, I have no problem in supporting that.

Vehicles to transport the handicapped: Those Members got up and spoke about the things they could mislead the public with. The truth is that it is really not hurting except in one area, that is, the increase in car licensing. They will feel it, but it is not over-burdening.

They would not look at the areas we removed duty from because they know those areas pertain to the average Caymanian. If they had the average Caymanian at heart they would jump up and down and clap their hands with glee saying "We are proud the National Team did this, even though we don't support the National Team." But they did not do that.

They asked, "who eats ice-cream and yoghurt?" and "who is drinking flavoured milk?" What they would not say to the public is that it means we have taken duty off all baby milk. Who is that designed to not help? Even the rich will benefit because they have children too. They would not tell you that we removed the duties on vehicles to transport the handicapped. Who is that designed to help? The average Caymanian will benefit more because he will not have to pay. Even the people who can afford to pay will benefit.

Mr. Speaker, I have already dealt with the environmental impact fee, and I do not think that the 1.5% is too much. If someone can show me a workable alternative, as

a Minister of the Government I am quite willing to sit down and look at it. But nobody has done that as yet.

How can the immigration fees hurt the average Caymanian? There is no increase on maids, which is something most all Caymanians have today regardless of what income bracket they are in. There is no increase. They will still pay the same amount they did before.

What has increased is the area of permanent residence. Look at the areas that have increased - "Persons of independent means, \$15,000." That means the very rich. What were they paying before? They were paying \$400. They say we are selling the country, selling away our birthright. Oh yeah? Well, if you sell it for \$400 to whoever, that is selling away your birthright. But if you charge \$15,000 you are doing something wrong? Why? The truth is that we have been charging too little for too long in this area.

There is no other place like the Cayman Islands! The world is beating a path to our door. Now we have competition in certain things, but the fact remains that with the low incidence of crime in this country and all of the other positives—the good telecommunications and good atmosphere, the good Caymanian people who have made this country what it is (and it is still a friendly country)—people are beating a path to our door! They want to be here. We welcome them with open arms, but will say to them, "You can stay here as long as you want, but you must pay more than \$400 for your permanent residence."

What else have we done? We have split permanent residence up into categories: A person with a right to work with Caymanian connections still pays \$400. So average people are not overburdened. They still pay the \$400. For persons with a right to work without Caymanian connections, unskilled (that is the very small man)... and the Member for George Town should be happy for this because he has a lot of people in this category (unskilled), \$400. Skilled, \$1,500. These could be Jamaicans, Hondurans, Nicaraguans, whoever has been here so long they are trying to get permanent residence. Professionals, \$5,000. They are going to curse this kind of move? I don't think that this is wrong. This is good. We should have done it years ago. I pushed for it for many years. Since 1980 I have been saying that we should have done something like this. If we had, we would have a lot of revenue today.

What have we done here that will kill the little man?

The Speaker: Would this be a convenient time to take the afternoon break?

Hon. W. McKeeva Bush: Thank you, Mr. Speaker.

The Speaker: Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 3.47 PM

PROCEEDINGS RESUMED AT 4.17 PM

The Speaker: Please be seated.

The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture, continuing the debate.

Hon. W. McKeeva Bush: When we took the suspension I was dealing with immigration fees and firearm fees. I want to revert for a moment to the fees on cigarettes. A while ago I was talking about the price-gouging that is going on, and the complaint that the increase by Government is going to destroy the tourism economy and hurt the small man.

The increase on cigarettes amounts to about 2 cents per cigarette. I don't smoke so I do not know how many are in a pack, but I believe it is some 20 cents per pack. To show you what goes on in this country....

(inaudible voice from across the floor)

Hon. W. McKeeva Bush: I have been corrected. It is an increase of 40 cents per pack.

But to show what goes on in this country, yesterday someone bought a pack of cigarettes from a store and it cost him an extra dollar. He pointed out that the duty had not gone up on what was in stock. The shopkeeper said he did not care about that, it would be \$1 extra if the customer wanted it. That is what is going on in this country—price-gouging. They do not care about the little man. It is not Government that raises the price to the consumer, be it Caymanian or tourist. The drastic increases are put on by the merchants themselves. They should learn to take a little bit less.

Years ago, when Cayman was beginning to develop, people were willing to wait for years and years to get their profits. They took their time, built their businesses and made their money. Now, it seems like everyone must get his money back today—thus we have these high prices. There is no means by which Government can control that, except to put on some sort of control. Let me say to the world that I believe in that. If we in this House talk about protecting the smaller man, the man who cannot afford to pay more—and we mean that—then we should support some sort of price control. But, do we have the political gumption? Do we care about people enough to do it? That is the question. As for McKeeva, I say, yes!

Continuing with immigration fees: We now pay \$10 for a visitor's extension. What we are proposing in the first application is \$25, with subsequent applications increased to \$100. If it were left up to me, I would charge \$200 because when you go to the Immigration Department just look at what we have—the long lines with people getting extension, after extension, after extension.

Everybody in Cayman talks and complains about Jamaicans, yet everybody wants a Jamaican gardener; everybody has a Jamaican friend coming in who wants their stay extended. Everybody wants a Jamaican maid. You cannot have your cake and eat it too, and it is time for Legislators in this country to be men enough to stand up and say, "Ladies and gentlemen, we represent you, but this is what you will get if you do this. This will be the fall-out from it. Don't talk about over development if you, yourself, are developing hand over fist. Don't talk about too many cars on the road if you are already importing 200 cars per month." It is sheer hypocrisy!

We all want to have our cake and eat it too! We need to take some hard decisions. But then when we start to do something, the same Council of Associations that is gathering now will be asking, "Are you going to tell me how to run my business?" That is what they will say. They will say, "You mean you are going to tell me that I can't have a maid? You're going to tell me that I can't drive a big American car? You're telling me that I can't drink all the liquor that I want?" No, we are not telling you that! What we are saying is that if you want to do that, then you must pay your share.

As far as the immigration fees are concerned, there is no increase on work permits, so it cannot hurt the average Caymanian.

Firearms licences: Each user of a shotgun pays \$15 now. For farmers only \$50 is recommended, and all other users pay \$500. If you want a shotgun, you should pay to have something like that in your house.

I know the general run-of-the-mill excuses about illegal guns. There is a Law in place and those who are supposed to see that the Law is carried out are the ones we will have to hold responsible. But they are doing a fairly good job of it, although I am not saying that they catch everybody. But for the ones we know of, should they be free because some illegal gun is there? I don't believe that. Handguns are \$15 now. We are moving that up. Why not?

The Third Elected Member for George Town says that we did not listen to anybody. Does he not know that the Financial Secretary brought some people in and spoke with them? He knows, yet he got up and made a sweeping statement saying that the Financial Secretary did not consult anyone. The very people whom he said we should have consulted, the Financial Secretary did consult. I want to ask him who he consulted when they put on the heavy increase when he was in Executive Council.

The financial services fees could have probably been higher. All of my colleagues know how I feel about people coming here to work. They must pay. If they come here to do business, they must pay. That is how I feel. It has to be balanced with other things, but maybe some of these fees could have been more. I trust the Financial Secretary, I find him to be a prudent man, and he talked to the people in the know.

The Third Elected Member for George Town, in his criticism of Government's revenue measures, did not make any offer as to what banks, trust companies, or financial institution could pay. Is it because he does not know, or is it because he does not want them to pay? Which is it? I believe he knows. If I remember correctly, he is a director. So he knows about banking. He understands quite well what needs to be done. But dare he do it? Dare he suggest it?

I hate to revert, but in this talk of price increases to the extent that it will kill the tourists and the smaller man, let's look at one of the most popular drinks. It is not being increased by anything, but I am using it as an example of what the merchants do. The liquor distributors are all in the same category, the Council of Associations.

The most popular drink, rum and Coke—let us say Bacardi Rum and Coke—presently costs the hotels and

restaurants \$4 per litre, with duty of \$10. That is \$14. When it gets to the retailers, the restaurant and hoteliers (and I checked with at least two—Holiday Inn and Treasure Island) a rum and Coke costs CI \$4.50. They make \$144 off one bottle of rum, with roughly 32 drinks per bottle. Their cost is in the region of \$14.08 (I don't think I worked in the profit). That is something like \$129 on one bottle of liquor. Is it the Government's fault that a drink costs \$4.50 at the hotel?

Let's get some facts straight here. There is no better time to bare your soul than in front of your people. What is all of this crying over killing this, that and the next thing, and hurting Caymanians? How many Caymanians do you find in the restaurants? Tell me! How many Caymanians do we find? Do you know what they pay? Some \$3.00 per hour. On top of that, they take the gratuities the worker is supposed to get. Now, if that is not highway robbery, if that is not a crying shame in this country, you tell me what is.

If we want to do something about helping the little man, wait until I bring the measures for minimum wage. I want to see who on the Opposition bench is going to jump up and say "I support you."

(Inaudible voice from across the floor)

Hon. W. McKeever Bush: Well, I hope you support it when it comes.

Mr. Speaker, this is the situation which exists in this country. These are the imbalances which are going to hurt us if we don't do something about them—\$129 on a bottle of Bacardi. I see that even the Opposition is weeping tears of sorrow.

MOMENT OF INTERRUPTION Standing Order 10(2)

The Speaker: Will you be finished in a short period of time, Honourable Minister?

Hon. W. McKeever Bush: I don't think so, Mr. Speaker.

The Speaker: I will entertain a motion for the adjournment of the House.

ADJOURNMENT

Hon. W. McKeever Bush: Mr. Speaker, I have permission from my colleagues to move the adjournment of this Honourable House until 10 o'clock Wednesday morning.

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

AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned.

**AT 4.32 PM THE HOUSE STOOD ADJOURNED UNTIL
10.00 AM WEDNESDAY, 19TH MARCH, 1997.**

**EDITED
WEDNESDAY
19TH MARCH, 1997
10.46 AM**

The Speaker: I will ask the Third Elected Member for George Town to say prayers.

PRAYERS

Mr. 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed.

Questions to Honourable Members/Ministers. Question No. 19, standing in the name of the Third Elected Member for Bodden Town.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

QUESTION NO. 19

No. 19: Mr. Roy Bodden asked the Honourable Acting First Official Member to state how many incidents of illegal drugs were uncovered at Northward Prison during 1996.

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: There were 50 findings of marijuana at Northward Prison for 1996. I might add that 20 of those were findings on the outside of the prison.

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Would the Honourable Member state if all of the 50 findings were concerned with inmates, or were some concerning other persons.

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: None of the findings could be linked to other persons. Obviously, there is a strong likelihood that the findings on the outside were placed by other persons.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member tell the House what measures have been put in place to curtail or discourage this craving for illegal drugs, and curbing of the trade in illegal drugs at Northward Prison?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: There have been increased surveillance and searches and increases in the disciplinary penalties levied, as well as increased promotion of counselling for people involved.

The Speaker: The First Elected Member for George Town.

Mr. Roy Bodden: Can the Honourable Member say whether these finds consisted of quantities which could be deemed, for the most part, for personal use; or were the quantities sufficiently large enough to have been taken advantage of by persons trading within the prison system.

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: All the findings were of a relatively small quantity. Particularly within the prison, it appears that the unit of trade or use is, indeed, extremely minuscule.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Would the Honourable Member state if any consideration has been given to random drug testing of inmates?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: There is that facility to confirm whether or not someone has consumed, but I am unable to state to what extent it is utilised.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Could the Member give an undertaking to determine the status of that situation and supply the answer in writing?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: Certainly, Mr. Speaker.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member say what measures are in place at the prison to ensure that visitors who visit, especially prisoners serving sentences for illegal drugs, are screened to ensure there is no traffic upon visitation?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: It is my understanding that visitation always takes place in the presence of prison officers. To what extent visitors are searched, I am unable to say, but I can enquire and provide an answer to the Member.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member say if any form of electronic surveillance is implemented at the prison compound?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: There is surveillance of the boundaries. From a containment perspective there is no electronic surveillance in the other adjoining areas such as the farming area. One possibility being considered is the extension of that facility into that area.

The Speaker: If there are no further supplementaries, the next question is No. 20, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 20

No. 20: Mr. Roy Bodden asked the Honourable Acting First Official Member what the current inmate population at Northward Prison is, according to gender.

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: There are 196 males and eight females.

SUPPLEMENTARY

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker.

Can the Honourable Member say if there are any programmes in place to ensure that prisoners have some form of constructive activity upon release, so that they can at least have an alternative to recidivism?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: The Prison Department has been making some efforts in that area. It is an area which is being considered currently with a view to how it can best be effected, in terms of who can best be responsible for it, and what this type of programme would involve.

The Speaker: We have reached the hour of 11 o'clock. I will entertain a motion to suspend Standing Orders to continue Question Time.

The Third Elected Member for George Town.

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

Mr. Linford A. Pierson: In accordance with Standing Order 83, I move that Standing Order 23 (7) and (8) be suspended to enable questions to be taken.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I beg to second that Motion.

The Speaker: The Motion has been duly Moved and Seconded. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. STANDING ORDER 23(7) AND (8) SUSPENDED TO ENABLE QUESTION TIME TO CONTINUE.

The Speaker: If there are no further supplementaries, the next question is No. 21, standing in the name of the First Elected Member for George Town.

QUESTION NO. 21

No. 21: Mr. D. Kurt Tibbetts asked the Honourable Acting First Official Member if Government has any plans to reinstate the use of the Immigration Embarkation/Disembarkation Card.

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: Government has no plans to reinstate the use of the Immigration Embarkation/Disembarkation Card.

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Could the Honourable Member state if there is any thought being given to some method by which the comings and goings of the Caymanian population can be recorded by the Immigration Department?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: The processing of passengers is an area that is attracting much attention and development in the information technology field. I would expect that there will soon be methods available to provide the information which the Member alludes to without the reinstatement of those manual cards. At the same time, any decision to introduce a system will obviously depend on the extent to which the need for that information is demonstrated. Certainly, I am not aware of any representation to my portfolio for the need for this information.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Would the Member give an undertaking to examine the situation which the Immigration and the Police are faced with regarding the lack of information of people considered criminals leaving and entering the islands?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: I would be happy to consider their views on the matter.

The Speaker: If there are no further supplementaries, question No. 22, standing in the name of the First Elected Member for George Town.

QUESTION NO. 22

No. 22: Mr. D. Kurt Tibbetts asked the Honourable Acting First Official Member if the Personnel Department engages in any type of specific succession planning within the various Government Departments.

The Speaker: The Honourable Acting First Official Member.

DEFERMENT OF QUESTION NO. 22 Standing Order 23(5)

Hon. Donovan Ebanks: In accordance with the provisions of Standing Order 23(5), I beg that the answer to question No. 22 be deferred until a later Sitting. The answer is not yet ready.

The Speaker: The question is that the answer to question No. 22 be deferred until a later Sitting. I shall put the question. Those in favour please say Aye...Those against No.

Mr. D. Kurt Tibbetts: Mr. Speaker, if I may, I would just like to ask one question before you take the vote.

The Speaker: Certainly.

Mr. D. Kurt Tibbetts: Does that mean during this Meeting?

The Speaker: Just not today.

The question is that the answer to question No. 22 be deferred to a Sitting other than today's. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. QUESTION NO. 22 DEFERRED.

The Speaker: Question No. 23, standing in the name of the Third Elected Member for Bodden Town.

As the Member is not in the Chamber, we will proceed to question No. 24, standing in the name of the Fourth Elected Member for George Town.

QUESTION NO. 24

No. 24: Dr. Frank McField asked the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation to state what services will be offered by the Forensic Laboratory and the Morgue at the George Town Hospital which is proposed to be completed in April of this year; and from whom did the recommendation come to include these services.

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: The answer will deal first with those questions relating to the Forensic Laboratory. Those relating to the Morgue will follow:

The Forensic Laboratory will offer only tests relating to drug analysis and toxicological analysis of body fluids. It will therefore help the Drug Squad to analyse all seized drugs such as cocaine, opiates (such as heroin) amphetamines, LSD, ganja and any other suspected drugs of abuse or illicit substances.

Confirmatory tests with results for evidentiary purposes would be provided to the prosecution. The laboratory would also be able to analyse drug-taking utensils for traces of such illicit substances.

Analysis of urine samples for drugs (including alcohol) would be provided in the Forensic Laboratory. This service would be available to the Police (Drug Squad, Traffic and CID sections) and Cayman Islands Counselling Centre. It would also handle the random urine samples periodically collected from officers of the Police, Customs and Immigration, Fire and Prison Services.

Body fluids collected during forensic autopsies, will also be able to be analysed for the presence of drugs or other toxic agents.

The proposal to set up a drug testing laboratory in specific Caribbean countries was made in 1991 by the United Nations International Drug Control Programme (UNDCP), following which it donated some equipment to the Cayman Islands. The Pathologist at the George Town Hospital in 1994 suggested the need for the country to have a forensic laboratory service that would not only analyse drugs, but also provide forensic services to the Royal Cayman Islands Police. In 1995 the Police (through the Head of CID) and the then Senior Crown Counsel (Criminal Division), met with the then Medical Director to discuss the need for having a Forensic Laboratory locally.

In the light of those discussions, the decision was taken by the Ministry and Health Services to set up the said laboratory. More recently, the Honourable Attorney-General has indicated his strong support for this facility, citing the long delays experienced at present while waiting for the results of analysis of substances sent to Dade County in Miami.

The Morgue will be used to store bodies on which post-mortem examinations are to be conducted before transferring them to the Bodden Funeral Home for storage.

No, recommendation to provide Morgue services came from any specific person or group, but it is standard practice for any hospital to have a Morgue to store bodies prior to burial. A funeral home is not an ideal place for conducting autopsy services as it contains only a dressing room.

SUPPLEMENTARIES

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: In light of the answer provided by the Honourable Minister, I would like to enquire if the Forensic Lab will fall under the jurisdiction of the Hospital and his Ministry, because there seems to be several different de-

partments, for example, the Attorney General's Department and the Chief Secretary's Department. In terms of the Police, will they be involved in the actual administration of the forensic laboratory, and will the cost for running this also be taken into account with regard to their budgets?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: Yes, Mr. Speaker, the Honourable Member has a good point there because for security reasons and credibility, discussions are now ongoing with these departments as to how to handle this section. The fees would be collected from the departments that require the services.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Could the Honourable Minister say if it is calculated to make a profit, or will we be providing a service that will also have to be financed by General Revenue? Will the laboratory be self-sufficient?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: I hope, at the very least, that it can defray its costs.

The Speaker: If there are no further supplementaries, the next question is No. 25, standing in the name of the Fourth Elected Member for George Town.

QUESTION NO. 25

No. 25: Dr. Frank McField asked the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation (a) What is the storage capacity of the proposed Morgue; and (b) If there are any economic potentials in having a Morgue at the George Town Hospital and, if so, what are they.

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: The answer is: (a) The proposed Morgue would have capacity to store six bodies; one of the chambers would be designated for highly infectious bodies. (b) It is necessary for the Hospital to have a Morgue. There are no proposals to operate the facility on a commercial basis.

SUPPLEMENTARY

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Could the Honourable Minister say if the lack of consideration to operate the morgue on a more economic basis was the result that the Bodden Funeral

Home is also in direct competition in regard to storage and preparation of bodies for burial?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: The morgue actually fulfils a necessity and with the knowledge that the Bodden Funeral Home has provided storage for up to 30 bodies, we did not feel that we needed to make it any bigger.

The Speaker: If there are no further supplementaries, the next question is No. 26, standing in the name of the Fourth Elected Member for George Town.

QUESTION NO. 26

No. 26: Dr. Frank McField asked the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation how the Forensic Laboratory will be financed after its completion.

WITHDRAWAL OF QUESTION NO. 26.

Dr. Frank McField: Mr. Speaker, the Member has sufficiently answered this question with supplementaries to Question No. 25. I beg to withdraw Question No. 26.

The Speaker: We will revert to question No. 23, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 23

No. 23: Mr. Roy Bodden asked the Honourable Minister for Education, Aviation and Planning to state the number of teachers (including teachers in the private sector) currently teaching in the Cayman Islands with a breakdown by nationality.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The total number of teachers teaching in the Cayman Islands is as follows: Government Schools - 330; Private Schools - 128, with a breakdown by nationality as follows:

GOVERNMENT SCHOOLS

Nationality	Number	Percentage of Total
Cayman Islands	122	37%
United Kingdom	70	21%
Jamaica	68	21%
Barbados	18	5%
Trinidad	15	5%
Canada	11	3%
USA	9	3%
Ireland	6	2%

Guyana	2	1%
Grenada	2	1%
Bahamas	2	1%
Hungary	1	1%
St Vincent	1	1%
Belize	1	1%
India	1	1%
Norway	1	1%
Total	330	

PRIVATE SCHOOLS

Nationality	Number	Percentage of Total
Cayman Islands	15	12%
United Kingdom	17	13%
Jamaica	30	23%
Barbados	1	1%
Trinidad	5	4%
Canada	18	14%
USA	31	24%
Ireland	6	5%
Guyana	1	1%
Grenada	-	
Bahamas	-	
Hungary	-	
St Vincent	-	
Belize	2	2%
India	-	
Norway	-	
Belgium	1	1%
South Africa	1	1%
Total	128	

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Minister say how the qualifications are assessed for those teachers who come from outside of the Commonwealth and who have studied outside of the United States, in regard to the Government system?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: While this seems to be a long distance off from the number of teachers, what we look for is that they have a teacher's qualification - that the teacher, is a teacher. I think that is very obvious.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister say what the Government's policy is in regard to encouraging more Caymanians to enter into the teaching profession so that, ideally, we can get more of our own teachers into the Government schools?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I am very happy to say that this is the highest percentage of Caymanian teachers that has ever been in the Government system. I do not know what the policy was in the past, but our policy is very clear—Caymanians are taken first. Secondly, in the Education Council in granting scholarships, every applicant who qualifies to go away and study to become a teacher gets a scholarship. By and large they get the full amount granted.

We have also encouraged them by having them as teacher's aides when they are just out of school so that they can get a good look at the profession before they go off for training.

Also, while this goes a bit beyond where I can talk in detail, the review being done by the Civil Service and the initiative being taken by His Excellency the Governor in relation to the planning within the Service should also increase the number of Caymanians here.

I would just like to repeat that there are 122 teachers out of 330 in the teaching profession in the Government schools. They are good teachers, not just the Caymanians, those from abroad as well. I fully support them and I hope that in the future the Third Elected Member for Bodden Town will attempt to encourage [Caymanians] to go into the profession. One of the things that discourages them is when they are battered around within this Honourable House. Perhaps that, too, is one way of seeing that the young people do not get exposed to problems of that sort.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Would the Honourable Minister say if any thought is being given to any type of review of the salary scale of teachers?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: That Honourable Member well knows that under the Constitution I, as a politician, have nothing to do with the salary scale. As he also well knows, it is the prerogative of the Public Service Commission and His Excellency the Governor to deal with a review. At such a stage when that is dealt with it will come before this Honourable House to vote the funds for it.

If he wishes he could put a question next time to the Honourable Chief Secretary or his Deputy who can perhaps give him the answer. I do think it is outside my ambit anyhow.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Minister state if teachers wishing to teach in the Cayman Islands have to comply with any Government requirements and, if so, what are those requirements and how are they recognised?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I repeat, they have to be qualified teachers. We find that out by the Public Service Commission or Personnel asking for their teacher's certificates.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Would the Honourable Minister say if the Government has any plans for the establishment of a teacher's training college in order to improve the output of Caymanian teachers? If so, does the plan stem from the Associates of Arts degree at the Community College?

The Speaker: I think the question goes a bit outside of the scope, but if the Honourable Minister wishes to answer he may. The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Thank you, Mr. Speaker. I am always happy to accommodate Honourable Members of this House.

Yes, the question posed is a very good one. The Community College will be running a post graduate teacher's training certificate from the United Kingdom; so that persons who have a bachelor's degree can then go on to do the large part of their training through the college. The United Kingdom certificate will be granted and they would be able to come within the system.

I should say that it has moved on and is a reality, but we are working out some of problems. Beyond that we just go to associate's degree.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Minister state if upon the assessment of teaching certificates and documentation presented by the teachers, the Cayman Islands Government gives any recognition of the person's ability to teach in the Cayman Islands? If so, what form does this take?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: With all due respect, sir, this is getting into the Chief Secretary's area. I do not deal with fixing increments or salaries. I am not even given the opportunity to interview a temporary receptionist coming into my office.

The Member should not push me to answer a question which he knows, under the Constitution, does not come under me. I should not be mixing in it, nor should the Honourable Member be getting into the conditions of service. If he would look in section 9 or 7 of the Constitution he would see that.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Is the Honourable Minister saying that his Ministry is not responsible for issuing teaching licences in the Cayman Islands?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: With all due respect, that is not what he asked. He asked me about increments and how we go about giving them...

Mr. Roy Bodden: Mr. Speaker, on a point of order.

POINT OF ORDER
(*Misleading the House*)

The Speaker: Please state your point of order.

Mr. Roy Bodden: The Honourable Minister is misleading the House. I asked no supplementary about increments, sir.

The Speaker: Would you repeat your previous question then, please?

Mr. Roy Bodden: Most certainly. I asked: Upon assessment of the qualifications of a person applying to teach in the Cayman Islands, does his Ministry issue any documentation which would state the person's ability to teach in the Cayman Islands?

The Speaker: The Honourable Minister for Education, Aviation and Planning, will you answer that?

Hon. Truman M. Bodden: Yes, Mr. Speaker. I misunderstood. I guess that sometimes, one gets so many supplementaries it is hard for one's mind to keep up with the divergence of questions.

Mr. Roy Bodden: Point made, Mr. Speaker.

Hon. Truman M. Bodden: Presumably, since the Honourable Member is walking out he does not wish to hear it.

The Speaker: That completes Question Time for this morning.

Government Business, Bills, Second Reading of The Miscellaneous Provisions (Fees and Duties) (Temporary) Bill, 1997. The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture

GOVERNMENT BUSINESS

BILLS

SECOND READING

THE MISCELLANEOUS PROVISIONS (FEES AND DUTIES) (TEMPORARY) BILL, 1997

(Continuation of debate thereon)

(11.30 AM)

Hon. W. McKeeva Bush: Mr Speaker, as is true at any time when revenue measures are proposed, there is a lot of activity on the part of those affected, there is a lot of exaggeration and uneasiness. The measures before us today are very much in the same position—there is much exaggeration and uneasiness and, of course, there are areas that have been blown out of proportion. There are also areas of genuine concern by genuine persons.

For some time we have heard that Government was not meeting with the people responsible. It is true that only the Financial Secretary met with the financial sector. We depended upon figures given to us by the various departments involved in the Budgetary measures and the Budgetary process. Government has to depend upon those areas for advice. It is equally true that after the measures were announced the Council of Associations did not meet with Executive Council. As usual, they, in militant style, gathered their troops. Of course, this type of situation only gives those persons with personal gripes against Government (or particular Ministers) a chance to say all manner of evil and to stir matters up and make it look as bad as possible.

Two wrongs do not make a right. I have been told that since I was a child. Nevertheless, as a Government we are not about confrontation—a partnership must exist for the country to run as smoothly as possible. But we cannot allow people to hold a heavy stick over the head of Government every time it presents measures for raising revenue. This is what usually happens.

In this instance, the very people we set out to assist in this Budget, because of the misrepresentation and misinformation which has been spread, are very much concerned. All of us have had much representation in the past few days about the impact of the measures before us. There is much (and as far as I am concerned, too much) misinformation put out. Let me say that it is good to see, in any democracy, a group of people get together to discuss matters. I think that is healthy for democracy. But when scare tactics are taken, it becomes a different matter.

When, for instance, what is being said to the ordinary man on the street is that the Government is increasing work permit fees...this is not so. That is a serious misrepresentation that will affect everybody, because everybody in Cayman (the vast majority), be they the rich, the middle income or the very low income (sometimes), has a maid.

They are being told that the permit fee for a maid is going up from \$150 to \$400. That is not so.

Looking at Immigration, item 15 talks about the grant of permanent residence. When it says 'for a person with a work permit with Caymanian connections, \$400,' it means \$400 for the permanent residence. It means it stays the same. For a person with a work permit without Caymanian connections... they split the category, or they categorised it. Unskilled is still \$400. Skilled is \$1,500. Professional, \$5,000. For those of us in the know, some of the fees for work permits for skilled people are much more than \$1,500. So we would know that it is not work permit fees we are talking about. But the ordinary man in the street does not understand that. I would say that Government did not do a good job of getting this message across to the public. That is why there is so much misrepresentation in the country.

What happens in Government is that in the Budgetary process we sit down—and this is not something that is done overnight, as was said by the Third Elected Member for George Town. This is something which takes weeks and weeks. If I brought the test Budgets, it would amount to a stack this high of test Budgets. The minute that Government sits down... the fact is that Government leaks like a sieve. We cannot do anything because all of the information goes out. If the true information went out it would not be so bad, but so much misleading information is ingrained into the minds of the public.

A constituent came to me long after the publication of the measures. He said, "I supported you. I believed in you because you said you were for the working person. How do you expect me, when I only make \$180 plus tips [he's a hotel worker], to pay 75% on import duty for a car?" The man was quite upset. I had to sit him down and tell him that there was no such thing as 75% import duty. I went through it with him and told him that if he wanted to buy a car, he could probably afford a \$5,000 or \$6,000 used car if he went to the United States to buy one. He agreed. I showed him the proposal and explained that he would not have to pay any more than he would pay today. Of course, that is the philosophy I believe in, and the philosophy that Government went on.

But, the leaks, the rumour-mongering took it to that extent—75%. And the people believed it because Government, as I said, did not do a good job of explaining what the measures were all about. There was some attempt on our part, but, again, it is a situation that I have found from the day I was put in Executive Council: We do not have the wherewithal, as far as funds are concerned. We can call the news media, but they will print what they want. As much as they complain, every one of them has his own spiel and if they like you, it will be printed, and if they don't like you (unless it makes you look bad) it will not be printed. I must say, however, that sometimes good jobs are done.

If Government had a mechanism where it could get this information out as quickly as it is dealt with, rather than waiting until we came to the House, then our people would be much better informed and we would not give those against us (who are ready to spread evil) the chance to

upset people with misinformation. This is the position that Government has found itself in.

We began a Budgetary process, first of all, not to raise any fees. But looking at what is needed we had to raise fees. Now, we have been told that we are spending too much. In fact, we have been told to cut back on schools. Education is one of the most important things in this country. The fact remains that Government's equipment plant needs constant upgrading and maintenance and the fact remains that it costs. If it costs the private sector, then why would they believe that it does not cost the Government? The Third Elected Member for George Town said that there is no need to spend on certain schools now. But if we were not spending, he would be the one saying that we did not care for children.

We are being told to cut back on recurrent expenditure. I agree that there are areas that should be cut. I am not saying anything here that is out of place because I am bound by collective responsibility to support it. But then I make my position clear that there are expenditures that I do not think we can make this year. We should make some later on.

When we come down to that line the first position taken is to cut sports, parks, schools, cut those things. Let me say, as His Excellency said in the Throne Speech, that "...we in Cayman must consider, first of all,"... and I will put it in my own language... the 'wellness of life.' Making money is not the only thing that must happen in the country. We must carry on our social development. I am getting into this part of the debate because I have a copy of recommendations made by the Cayman Islands Hotel and Condominium Association. In their proposal they said "We must reduce the capital expenditure budget by 20% by paying particular attention to sports and parks." And they named the pages.

Every time that Government attempts to do something for the people (as I said, for the 'wellness of life'), there is a group that pitches on the attempt. I am told quite often that my Ministry does not make money, it spends money. I want to say, Mr. Speaker, with all seriousness this morning, that we have two sectors of the economy in this country which are strong pillars - tourism and finance. But the day that we stop spending on the needs of the people for 'wellness of life' (we can spend millions of dollars as we have to do now), we will not save ourselves. The importation of people from all over the world puts stress on everything in this country. The need to spend on tourism impacts and brings forward a need to spend on the people who are stressed out because of tourism.

In our small island, it is a fact that people are working two jobs to keep things going. Parents are away from home and the children have no place to go except to sit down in front of a television. We do know that what we get over the airwaves is not that good for the young elastic minds of our children. We know that it is affecting our culture. But if we do not have a proper playing field or a park in the community, or some other social amenity that gives 'wellness of life', the child is going to go out... and what will happen? A good example is the criticism I received on the Marine Institute. The fact remains that if I had not taken the

steps to have an avenue for some sort of rehabilitation for those young people, we would be worse off today.

When we did that, juvenile crime was 320, and today (as of the end of last year) it was down in the 80s or 60s. If spending on the social infrastructure is not progress, then you tell me. I do not expect the business people in the tourism sector to agree because we are asking them to pay. But we are the people who the constituents elected to get these things for them. We cannot do it overnight. We put it in our Manifestos, we go on the platform, we talk about it and tell them about it. The television shows them, sometimes the newspaper tells them and they know all about it and they asked for it. We are not overdoing it in that sector which they say we must cut. We are not overdoing it! We are playing catch-up after 30 years of neglect and not even having a public park in the capital called George Town! Fifteen thousand people (maybe more), but not even a park for people and children to play in.

Our culture and background is Cricket. Regardless of what anybody else likes, that is historically ours. It is Caribbean, it is English, it comes from our roots. That is what we are. Where do we expect our children to play? Must they go out on the road to kick a ball? Must they go on the road to bat a ball? No, not in the 21st Century. I want to make it abundantly clear that I do not support that recommendation, and I would hope that people in here are not going to spend \$23 million on tourism, yet cannot spend a few thousand (even a million) dollars to build a play field in Bodden Town or a cricket facility for the Cayman Islands, or to put cricket pitches in the schools as we are proposing to do.

It gets my ire up when we have people who believe that the only thing to do in Cayman is make money and we must facilitate them in that mad rush all the time.

When we sit down on a Budget, all these things are looked at. One big fault with Government (if we can be faulted) is that we do not react quickly enough and help people understand what is happening. I said in my acceptance speech here in November, that when we do something we have to take our people along and let them understand what we are doing.

The very people we are trying to help have been misled to the extent that they believe that it is going to hurt them. In fact, they believe that we are doing things that we are not even doing. That is a sad state of affairs.

In putting on the different fees and revenue measures, we kept the people who could least afford to pay in mind. But, as I said then, and I think it was the Fourth Elected Member for George Town who said that one of the problems we have even in reduction of duties (let alone when we increase them) is that we do not have a mechanism which ensures that the people at the lower end are not going to be the ones to suffer. This is what is coming out of this whole thing now: We have been told by the Council of Associations' meeting on Monday evening that they are going to pass this right down - even though we know that there is price-gouging and serious over-pricing.

For instance, we know that the proposal on liquor could be out of whack. There has to be a reduction. But we also know that there is serious over-pricing - 100% in some

instances. In some instances over 100%. But what did they say? They said they would start laying off Caymanians, and they would start with the elderly. That is what they said.

We could counter that by saying that if they do that, we will ensure that they do not operate because they would not be issued work permits for outsiders. But we are not about confrontation. That is not how we are operating. There has to be some dislike in some things that we do, but we are not about confrontation. We have to sit down and be reasonable. There is no mechanism to ensure that the high prices that will come about will not affect the people we are trying to help.

One thing we do know: There are people in this country who are not in the best of positions salary-wise. In the hotel industry we have people working for \$3.00 and even under \$3.00 per hour. They say that he gets gratuities. Never mind, that is not a wage. A gratuity is a tip. So, the very people we are trying to help are the ones who will be hurt.

We know that today in Cayman's economy, the people who need to be helped are those who have not had a decent raise for years, in spite of the booming economy; in spite of the vast majority of businesses doing well. There are people who have not gotten a decent raise to keep abreast of the cost of living for years. For instance, there are those who received \$20 recently on their monthly income in the form of a raise in pay. These are the situations we have to now consider. Many of our people have not been kept (far too many) abreast of the cost of living in their salaries. Those are the people who are being most threatened today.

We know that we are presently in an excellent position. The economy is doing well. There is a continuous inflow of investment in this country. We do not need to do anything to kill that. Because the economy is doing so well, there cannot, and must not be (due to any fault of Government) any basic grounds for economic fear in Cayman. People are doing well and we do not want to kill that. So we are going to have to take some measures here to see that it does not happen.

In regard to what was said by the Third Elected Member for George Town about the Harquail bypass when he said we should cut back on roads, and that maybe we should cut back the Harquail bypass. There is an argument out there that we do not need to spend on the Harquail road because it is not going to help. People should not make that kind of assumption. The analysis given to us by the people dealing with it says that our existing average daily traffic at Eastern Avenue and West Bay Road is some 28,177 vehicles per day. The preliminary analysis shows that following completion of the Harquail bypass at least 50% (that is, 14,000 per day) of those vehicles will use the new road. Two main factors they say for this are the reason for trips, where people are coming from and going to, and the fact that the new road will offer a more appealing route in the form of reduced travel time. Further immediate benefits expected from the new road will be improved level of service and better traffic flow along the West Bay Road from the Cinema to Eastern Avenue and Harbour Drive.

So, the people in the know say that it will better the situation.

The Speaker: Honourable Minister, would this be a convenient time to take the morning break?

Hon. W. McKeeva Bush: Yes, Mr. Speaker.

The Speaker: Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 12 NOON

PROCEEDINGS RESUMED AT 12.35 PM

The Speaker: Please be seated.

The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture, continuing.

Hon. W. McKeeva Bush: Mr. Speaker, on the misinformation on vehicle import duty, which seems to be the worst part of this exercise, is not a matter that is new for the country. Back in 1975 there were proposals for an increase in import duty on vehicles. There was some outcry about it in 1977 when the late James Bodden, our National Hero, had this to say, and I quote from the *Hansard* of the Budget Debate of 1976:

"I could agree, Mr. President, on us doing something about this if it was done on a sliding scale based on the cc's of the car. In my estimation, this would be an equitable way of solving the [problem], because the low income bracket person could still import his car and pay 20% tax on it because that is all he could afford to pay. The more affluent person who wished to have a bigger car, or a little more sportier car, could pay 27%. The most affluent of the group who wished to drive in a big car and has the money to do so, would then have to pay 33.3%. To be frank with you, in that case I would also be willing to see it increased to 40%. But, I cannot sit idly by and agree that we should raise this on a blanket deal over all to where the man who can afford to bring in a 1975 Rolls Royce would pay the 33.3% duty that a man bringing in a Volkswagen would pay. I do not think that is quite fair, and I think we are put here in order to promote fairness to the people."

Today we are just attempting... and I should say that it has been my philosophy to do just that. As I explained earlier, nobody is trying to put a 75% import duty on cars. So, we want to allay the fears of the public on that particular item. There is no such import duty.

Cars go from \$130 to \$160. I believe that in the correspondence I have from the Cayman Islands Hotel and Condominium Association they said that we should do several things: "Consider a road toll of 25 cents for each vehicle, each way, to supplement the proposed gas tax, or assign a yearly road usage fee of \$25 per car, estimated at 50,000 vehicles which would generate \$1.25 million. This fee could be tied into the granting of licences, they could

also be increased for trucks and heavy equipment." That is their recommendation.

But they make another recommendation: "Change the car duty to 30% across the board." And they have in brackets "need to put a number on this." That would go back to the present situation where you bring in a Rolls Royce at the same price that a gardener would bring in a Toyota Tercel.

Why is it that we have people in the country who cannot accept that there are people who can afford to pay a little bit more than others? And that they should pay it, as in this case. We must be balanced. Those who can afford a Lexus, or a Cadillac or any expensive sporty car—and there is something on the road now that frightens me when I see it. I think they call it a Hummer, or a Humbug, something like that. Why should we not charge more for something like that when it takes up a whole lane? Why shouldn't we?

Sometimes I travel down the road and I see a truck, with probably 12 wheels, loaded to the scuppers, swaying as it goes along. That's people doing business. But it takes a heavy toll on the road infrastructure. So, what are we going to do? I can't agree with them on this. Maybe we could do a road toll. I believe that was considered in 1985 to 1988, but it bore no fruit. I do not know why, because I have not studied the reasons. Maybe it could work.

What I object to is this group of people proposing that because they can afford to pay the heavier expense, the 'little man' (as the Third Elected Member for George Town likes to call him) must pay the same. I am sure that not even that Member would agree with that. He knows it would hurt the little man. But, we are not going to get away from the fact that we have to raise funds for the road development that is needed. I said on the radio Monday morning that more tourism means more toll, more wear and tear on the road infrastructure. The more cars Caymanians get, means the more wear and tear on the roads. I do not agree that at this time we should suspend expenditure on roads—we are not spending enough.

Returning to where I left off, Mr. Speaker, suspending development of the Harquail bypass cannot help allay the fears of what I am hearing out there, nor will it assist in the road development programme. It puts it back that much further. At this time we cannot afford to have the situation with the roads that everybody is screaming about. So we have to pay something. Thirty dollars more per year on licensing, and a few more dollars on whatever the next fee would be in connection with cars, as far as the car you have, is not bad.

Let no one mislead the public by saying that we are not doing the right thing here. We all know that is what is needed. We need to pay our way a little bit more in this instance. It is not overbearing.

The worse situation I am acquainted with is when the people in my constituency tell me that the merchants are going to increase the price of their items by 100%. I say, don't let anybody tell you that, because this has nothing to do with the merchants. The merchant will only pay for his car increase as much as you pay for yours. Unfortunately, we have some believing that the merchants are going to

put 100% increase on the fee when they go to pay that to Government. I do not know how they came to that deduction, but that is the sort of misinformation that is out there.

One matter that was raised was pensions. I thank God that we finally have some consensus on pensions. I will say, before I move on, that I believe that Government would be inclined to look at some sort of arrangement to assist persons who already have a vehicle on the way, and who have borrowed funds to pay for that vehicle, and made arrangements before the increase was announced.

Getting back to the matter of delaying the pensions again—because at least one or two Members have said that the timing is bad—I believe that no matter when we bring these benefits there would be some excuse not to put that benefit in place. We have to do it now. I do not need to go into any long rigmarole on it—everybody knows that we need to do it. What I will say (even though it has already been said) is that it is not 5% or 10% coming on at one time. This is the important point. They can start at 1% of their salary. So, if they are starting at \$200, they can start (some age groups) at 1%, and the employer will pay likewise. It is not something that we are saying they must pay 5% or 10% now.

While I admit, because I run my own business, that it all adds up, it will not have that kind of detrimental effect. We should not frighten the man who does not understand. We should not frighten him by saying that it will be bad. Probably by June we will hear “Let’s disband pensions and not worry about that. It will cost too much.” There is a price to pay for this sort of procrastination. While some of us are making money, and will continue to make money in our businesses, we will pay in one form or the other later on. Enough said.

Mr. Speaker, we have heard at least one Member say in his debate that this Budget is not the Budget of the Financial Secretary. I think the newspaper even carried that. I believe it was the Third Elected Member for George Town. He said that the Elected Ministers must take full responsibility for this Budget because it is not the Budget of the Financial Secretary, or of civil servants. Of course, it is politically correct, or expedient, for the Third Elected Member for George Town to try to lay wholesale blame on one group of people. That is the order of the day. In fact, I hear that the blame is on McKeeva Bush, because he is building too many sports centres and parks. I wonder if some of those people who are complaining have children in school somewhere where they can afford nice parks?

This Budget, as in any budget, is the work of all concerned at the administrative or policy-making level of Government. That Member knows better than to try to blame me, or any one Member on this side and hold them solely for the Budget. He understands, because in 1991 that same Member who said that these outrageous increases are due to the Elected Members said, and I quote from the 1991 debate on his revenue measures: **“The preparation of the Budget is not something which is done by any one individual, it is a joint effort. I think it is important that the listening public should know that the operation of this Budget, like any other budget, was the joint effort of 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, I trust that 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.”

Well, I knew better (he was talking to me and to others at the time), and although he was correct in what he was saying, I trust that the Member has not forgotten that that is the process that is followed, and that what I heard coming that day was nothing but pure political rhetoric.

Do you know what is true? No matter how much we banter back and forth, it does not help the situation. As I said on Monday, I am willing and ready to listen to any credible alternative. We must be open and ready to sit down and discuss it. While there are some in the Council of Associations who talk down to people, at my age I am not about confrontation. I can take a fight as good as anybody else, and I have been through these storms before, but it will do the country no good to get into that type of confrontation.

What I have not heard as yet are any new ideas that will generate the needed revenue to move the country forward, bearing in mind that it is not only one area of Government that will get the expenditure, not finance nor tourism, or any other area, it has to be shared. I stand behind the philosophy that the social infrastructure of this country must move forward. We cannot be in a position where our people have no social amenities. That is not good for the ‘wellness of life’ that we talk about. So far, there are no great ideas.

In the letter from the Cayman Islands Hotel and Condominium Association, the 25 cent road tax (for whatever reason one Government could not put it in) was proposed. They also proposed to keep the rental cars (the 2400 cc’s) at \$250; Omni buses over 40 passengers, reduce from \$1,000 to \$450. I do not see any recommendation for the small person with the taxi. We have increased taxes for him too. I really object to these sort of things because it is so one sided. Why reduce the Omni buses with over 40 passengers that are obviously fairly large sized business operations, but not reduce the taxi? That is who is really hurting in this country today—they cannot even pay their insurance. That is the group that we must do something about, not the people who have the monopoly with the cruise ships. But this is what we get from the Hotel Association. God bless them.

I have great sympathy with the measures on revenue stamps. They said “We have strong concerns regarding the inflationary impact on the tourist and defer to our water sports colleagues,” that is on item 6 the local vessel licensing fee. Some people are up in arms over that and I understand they are blaming the West Bay representatives for that, claiming that we are only looking out for the people in the water sports operation categorised as paying \$25.

Again, the truth is that most of those people operating in the North Sound are operating at a disadvantage. They cannot get into the hotels because of the people with the monopolies. So, what do we do with them? Run them out

of business? I have no apology about offering any kind of relief for that sector because they are the ones who are disadvantaged. I guess the revenue stamps will be looked at.

Garbage Fees: They know that the Government has not increased garbage fees to the private dwelling homes and apartments. But their recommendation is to increase private houses and apartments as well. They do not take into consideration that these people are already at a disadvantage, and that there has not been any increase in salaries to come up to the cost of living in this country. No.

I already mentioned reducing the capital expenditure budget on sports and parks. It is hard to sit down and hold discussions with people whose policy is to keep down a certain section. Its hard, but we have to do it. I am not of that makeup. My position is that you must be fair across the board, taking into consideration who can pay and who can't. Let's wait and see whether Members of Government are inclined to cut back expenditure on these. You will not find any out-of-place expenditures on sports.

A member of my district asked me where I am going to put the new sports stadium. I asked him what he was talking about. He understands that we are going to build a 5,000 seat stadium in West Bay and he wants to find out where it is going to be because he has a piece of land he can sell us. That is the kind of misinformation that is being spread. There is no such thing. We are completing what was started in North Side, Bodden Town and the Cricket Oval—and I understand they are banging that one pretty hard. That has been going on since 1993, yet we must not finish it.

Building permit fees: They said that they are strongly concerned about the impact, but they have deferred this to their real estate and contractor and architect colleagues. If they are talking about the planning fees, I have already explained that planning is not receiving fees in accordance with their outlay. The same people who are complaining that we should not raise the fees on planning, are the same people who are saying that our recurrent expenditure is too high. Well, then, what do you expect? If you are receiving that service, if Planning has to spend \$500 per visit, but is only collecting \$100 from you, who makes up the other \$400? They understand that, though. They are good business people.

Import duties: They said that disinfectants and insecticides should be duty free. A lot of the hotels and condos import these things on their own. They do not buy them through the local people here, but they want them duty free. Some of them have the gall and the audacity, when you consider the outlay by Government to put in place the Westin Hotel—and I wonder if they are buying anything locally? What about the impact they have made on the roads? And you hear that we gave them permission! It is a fact! We gave them permission. What is true is that I curse the day and damn the hour that I agreed with it. If I had known then what I know today, it would never have happened.

Shellfish: "Duty should be reduced to 5% and allow the free market to dictate competitive pricing." I do not know if that is true.

They say that cement should remain at 20%. I think I gave some figures on that the other day. One of the gripes they have that I agree with is the Development Impact Fee. I believe that we do need to look at that fee. I believe that we should reduce it. In fact, I believe that we should remove the 1.5% for Caymanians with over 4,000 square foot homes.

I support that big boats pay what they can pay and that what we are offering now should be reduced.

We want to be able to work with the private sector. To operate a country there must exist a partnership. Because of the tremendous feedback over the last few days, as the Representatives of the people, we must take their opinions into consideration. As a result, we have agreed that the revenue measures proposed will be reviewed. There are certain aspects in the current proposals that have been accepted by the general public, however, there are other areas that must be reconsidered.

In the many weeks discussing the Budget and the revenue measures between us and the arm of the Civil Service responsible for Budgetary matters, one thing has been very clear to me (in fact since 1993): There needs to be ideas and deep analysis of any proposal that would impact on long term growth and development. The truth of the matter is that no such mechanism exists. That is a fact. Operating in the 21st Century in a sophisticated economy, we need that mechanism.

In order to facilitate the needs of the people whom I say will bear the brunt, the very people we are trying to help will be hit because no mechanism exists to stop overpricing, price-gouging, and other matters that impact upon prices. We need to bridge the gap between the Government and the private sector. I feel it is necessary to tap into the experience of knowledgeable people in the private sector to create some form of communication between these two lines. At that point I believe we will facilitate the continued betterment of the islands without large scale confrontation—not that we are going to agree at all times.

Before closing, I want to propose that we create the economic council we talked about right away; that it consist of the private sector and all Elected Ministers. This matter of going to one Minister, with one Minister saying one thing, then going to the next Minister and he says something else, cannot facilitate proper communication. I believe that this economic council should be created forthwith.

So, what I propose is that we suspend debate on these measures. We have agreement to do that. I propose that we lay it over for as long as is necessary to have consultation with deep analysis of certain things, like impact fees. Putting 1.5% across the board sounds good, and all of us had a bite at it. The fact remains that it can inflict, probably recessionary measures on the growth. Some of us may not agree, but at this point I am speaking my opinion.

One and a half per cent is high. We might as well accept that, as well as some of the other areas, such as liquor. So, we are tired of people blaming individuals. It is all of Government that has put these measures together. We need deeper analysis of them. Our proposal is to suspend at this time so that we can meet with those concerned.

Hopefully, we will have some good ideas. I have heard some ideas like, why not create a national lottery. These are the kinds of ideas we have coming across. The country might not accept that either. From an economic council ideas could come across. We have to be careful that we do not appoint all the people with self-interest to such an appointment, but other people who can give reasonable and rational debate and put forward reasonable and rational ideas that can work.

So, in order to assist our people—all of them—we propose to adjourn the revenue measures that we will discuss now with the Council of Association Members and others as to how we can come to an agreement on this. This is being done in the best spirit of cooperation.

Mr. D. Kurt Tibbetts: Mr. Speaker, on a point of elucidation.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I know the debate is going to suspend. I just wish the Minister could clarify one question: If the measures are being put on hold until all of the discussion takes place, since the Government resolution was passed and some of the measures have been put in place, does it mean that they will continue as they are until the situation is resolved? Or does it mean that those measures will return to the way they were before the Government resolution was passed?

The Speaker: The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeever Bush: The Financial Secretary has the authority to deal with that. What we are doing is suspending so that we can discuss the revenue measures in an atmosphere of debate for the good, not to say that we are coming back with the same thing. I do not know.

I will say that I hope that the discussion will be concluded quickly. But we must give it as much time as necessary. Tomorrow we propose to come back, but not to debate the revenue measures. The revenue measures are suspended as of now until we get back from discussing it with the private sector. I think I have made myself clear.

As I understand it, the proposed order of business is that, tomorrow being Thursday, we go on to Private Members' Motions.

The Speaker: Will you then move the motion for the adjournment?

ADJOURNMENT

Hon. W. McKeever Bush: I move the adjournment of this Honourable House until 10 o'clock tomorrow morning.

The Speaker: The question is that the House do now adjourn until tomorrow morning at 10 o'clock. I shall put the

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

AYES.

The Speaker: The Ayes have it.

Mr. Roy Bodden: Mr. Speaker, is it not necessary for some Member of the Government to move a motion for the suspension of the debate on the new revenue measures before we leave here now?

The Speaker: It is my understanding that debate on the second reading has not concluded.

Hon. W. McKeever Bush: Mr. Speaker, you are correct. We are in the process of the second reading debate and accordingly that is suspended which means that nothing goes forward until we complete the exercise of talking to the private sector on those matters. It is the same adjournment as at 4.30, except that we do know that this will take a longer time. At least for me, I do not aim to go and sit down with anybody to rush measures through, I want to hear the deep analysis.

The Speaker: To clarify the matter—we are still debating this Bill, other Members, I am sure, will wish to speak, and the Honourable Third Official Member still has the right to reply. So we are simply suspending in the middle of a second reading debate.

The House is now adjourned.

AT 1.18 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM THURSDAY, 20TH MARCH, 1997.

**EDITED
THURSDAY
20TH MARCH, 1997
10.07 AM**

The Speaker: I will ask the Honourable Third Official Member to say prayers.

PRAYERS

Hon. George A. McCarthy: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed.

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

APOLOGIES

The Speaker: I have apologies from the Honourable First Official Member. He will be a bit late this morning.

Questions to Honourable Members/Ministers. Question No. 14, standing in the name of the Fourth Elected Member for West Bay.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

*SECOND DEFERMENT OF QUESTION NO. 14
Standing Order 23(5)*

Hon. Anthony Eden: Mr. Speaker, since the Member is absent (he's been ill), I think that the answer to Question No. 14 should be deferred until a later Sitting, and I so move.

The Speaker: Thank you. I was wondering if any other Member had been asked by him to present the question?

If not, I shall put the question that question No. 14 be deferred. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

**AGREED. QUESTION NO. 14 DEFERRED UNTIL A
LATER SITTING.**

The Speaker: Question No. 27, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 27

No. 27: Mr. Roy Bodden asked the Honourable Minister for Education, Aviation and Planning if Cayman Airways Limited had been successful in selling its surplus spare parts.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Most of these spares are for 737-400s, 737-300s and the 727-200s which were purchased by Cayman Airways Limited (CAL) during the 1988-1992 Government's term, and were part of the cause for the horrendous loss of some \$35 million by CAL in the early 1990s.

Cayman Airways Limited is frequently engaged in discussion with potential buyers, and the Board has directed that the spares should be disposed of. The market for spares is an uncertain one—the demand for certain spares is quite high whilst for others there is little or no demand. Cayman Airways preferred option is to sell all the surplus spares as a package rather than have buyers 'cherry pick' the most attractive units.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister say what the amount is of such spare parts in inventory at the present time?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: It is approximately \$2.3 million.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister say if there is any significant depreciation on any of these spare parts?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: When the disaster with the economics occurred and the 737-400s were found to not be suitable, that would have been the best time to have sold these spare parts. Some depreciate and others appreciate in value, depending on whether they are in demand or not.

The way the airline business is, Mr. Speaker, there are times when an airline needs a part and whoever has it can basically ask a higher price than they could have if it were a rarely used part.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister say if any attempt has been made to off-set the cost of some of the items in this inventory against those years when CAL may have had a good business year?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I do not quite understand the question. It seems to be asking if the spares have been off-set. Off-set against what?

The Speaker: Third Elected Member for Bodden Town, can you repeat the question?

Mr. Roy Bodden: It is usual for auditors to recommend that when a business has a successful year that the cost of some of the stores in inventories such as this, which are not moving and may be unusable according to the current equipment, be written off and removed from in-

ventory so that in the future, when business might not be so good, the volume of unusable spare parts against the ledger sheet does not unnecessarily skew it in a bad light.

The Speaker: Can you then end that with a question, please?

Mr. Roy Bodden: Has this been the practise?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: What the Honourable Member is talking about is called depreciation. Yes, depreciation is, in accordance with the auditor's recommendations, carried out annually and taken out of the accounts whether the year is a good one or a bad one. However, depreciation is never put back in when the year is bad. It is not used as a reserve. Depreciation is written off to profit and loss annually. Yes, these spares are depreciated.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Is the House to understand, then, if depreciation is the practise that the value of these spare parts will decrease yearly and will eventually be completely removed as a hindrance on the ledger sheet?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The depreciation that is written off annually.... First of all, the spares are not a hindrance on the balance sheet. They are depreciated annually, but that depreciation may not have any relevance to the value one gets if and when one gets a sale. Therefore, as time goes on they are being written down to less and less.

However, when we go on the market, we are obviously trying to get the highest price we can for those spares. That is why I am saying that when the Government from 1988 to 1992 found out the serious financial problems they had with the 737-400s, they should have tried to sell the spares then. There were not a lot of 737-400s flying then and it would have been much easier to sell them. In fact, no effort was made even on the 727-200 spare parts after that disastrous sale in the year when CAL made a profit for the first time of nearly \$1 million. They sold them then. We still have a few spares going back to the 727-200s.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Would the Honourable Minister state whether the spare parts on the balance sheet of

Cayman Airways Limited is represented as an asset, and would that off-set the expenditure on those spare parts?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: They are an asset on the balance sheet, but an asset that produces no income. Therefore, they are a diminishing asset. Back when the 737-400s came in (back during the sale deemed 'too good to be true') was the time the Government then could have marketed the 737-400 parts. As time goes on, more and more parts are out there, because there are more 737-400s flying. It is more and more difficult to sell the inventory as a whole.

I would like to repeat that we sell the items that are in high demand, but then we are stuck with—and will never get rid of—the items that are slow moving.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister say if Cayman Airways engages in the leasing of any of these spare parts?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: We do lease some of them, but it is only a small part of the inventory.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Having said that, can the Honourable Minister state if the experience so far has indicated that it may be worth pursuing at a higher level?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: We can only lease what the market will take. I repeat: A lot of spares were purchased for the 737-400s which are not normally in demand. In other words, the inventory that the 1988 to 1992 Government built up comprises spares that are extremely slow moving, if they move at all.

For example, some parts are always in high demand. Those can be leased. But there is no market for leasing parts which are only rarely used. While we can try to lease as much as possible, the same principle applies to leasing as it does to selling—some parts are sold quickly, but one may be stuck with the balance of the inventory.

The Board's decision was to try to sell all of them at one time, if possible, rather than selling a small percentage and being stuck forever with the balance.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Since it appears that this attempt to sell the spare parts as one package has been an on-going affair, and because the spare parts continue to depreciate, might it not be worth considering selling the parts singularly, rather than having all of the spare parts stay there until they are worthless?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I would just like to point out that when you depreciate an item it does not necessarily mean that the value of the item on the market has decreased by that amount. I think it would be a straight line depreciation on different blocks of parts (I don't have the accounts before me). The Board is of the opinion that trying to sell parts of the inventory is not the route to go. What we will be left with, even though they will have a value on the books, may have no value on the market and would ultimately have to be totally written off. Whereas, they feel that if they are sold as a package then they would get a higher value for them.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Are we then to understand that up until this point there has only been depreciation and no write off of any of these spare parts?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, the parts are still useable. One only writes off when it reaches a stage where they are valueless, or they are written down to the residual value. They are depreciated every year because that is good accounting practise. I do not see how I can take this any further. The Board has made a decision on it, but it was a problem which they inherited after the deal that was 'too good to be true'—the sale of the 727-200.

The Speaker: If there are no further supplementaries, the next question is No. 28, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 28

No. 28: Mr. Roy Bodden asked the Honourable Minister for Education, Aviation and Planning what is Cayman Airways Limited's load factor on the Orlando route.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: If you know the load factor on a route, all you need is the number of flights and type

of aircraft and you can easily work out the total number of passengers carried. This kind of market intelligence is useful to competitors who can then actively pursue your market, as American Airlines has aggressively done. We should not release any information which can be used against us by our competitors. I will give this information to the Honourable Member privately.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: I am sure that this type of information would be available to any intelligent competitor. I am sure that American Airlines knows exactly what the load factor is because it would be easy to find out. I am asking the Minister if he is in a position to say whether it is 10% of capacity, 20% or 35% of capacity. I am not interested in hearing it privately because it is not a private concern.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, the problem that Cayman Airways has faced throughout is that the Opposition in this Honourable House is bent on giving the competition all the information on CAL they can to sink it. The Government is attempting to keep Cayman Airways economic and to keep it flying. What I can assure you is that American Airline (or any other airline) does not have the load factor which is a breakdown stating passengers that have come on frequent flyer miles, those who have flown free. Therefore, they cannot calculate what our load factor is.

It appears that it would be dangerous to give the information to that Honourable Member privately. I therefore withdraw that undertaking.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. Let me try to ask this supplementary in a way in which the Minister can understand and then relate to: Is the load factor such that Cayman Airways is breaking even, making a profit, or losing money?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Every year I lay on the Table of this Honourable House the audited accounts for the company. At that stage the Honourable Member will be able to see where the airline stands. He has the accounts from last time, because I diligently lay these each year, despite what might have been the practise prior to my taking over Cayman Airways. At that stage he will have the financial position on Cayman Airways Limited.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: The Honourable Minister's answer is not good enough. I draw his attention to his answer to me as per the *Hansard* of 5th July, 1996 when he said that the route was doing very well for a new route with a loss of only a few thousand dollars. I am asking the Minister, as a representative of the people, if that is the situation to this point, have the losses increased or have they decreased? I would like an answer, sir, there is no escaping—I am about the people's business.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, the question that was asked has nothing to do with losses. It asked what the load factor was on the route. With respect, sir, if he wishes to find out whether he can get an answer, it should be asked as a full question. I do not see how balance sheets, profit and/or losses on a route arise from a question on the load factor.

The Speaker: I will say to the Member that if you want an answer to that you should set down a substantive question in regard to that.

Mr. Roy Bodden: My question now is what has load factor to do with, if it has nothing to do with the propensity to earn or lose money? I am not an accountant or economist, but I have good Caymanian common sense.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, sometimes I really wonder about the authenticity of that statement. The Member asked me about load factors. Load factors relate to many, many things, not just losses or profits. What I am saying is that I did not come here prepared today to deal with losses or profits. I have answered this question as fully as I can, dealing with load factors.

The Speaker: I will allow one more supplementary. The First Elected Member for Cayman Brac and Little Cayman

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister say if the only objective of Cayman Airways is to make money on any particular route?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The substantive objective of Cayman Airways is twofold. First (and this may not be the order as the Board may see it, but I am stating the two principles), overall on all of the routes to serve the people of the Cayman Islands and to make a profit or take as

little of a loss as possible, but to ensure that in crises, such as we just saw with American Airlines. If they withdraw, and if Cayman Airways had not been operational, then we could have seen the Cayman Islands actually close down as some of the other dependent territories unfortunately do.

Cayman Airways can be looked at as an insurance policy to keep these islands, and the residents thereof, being cut off from the North American continent and Jamaica.

The Speaker: The next question is No. 29 standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 29

No. 29: Mr. Roy Bodden asked the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation what is the cost of construction and other ancillary costs to date associated with the construction of the George Town Hospital.

Hon. Anthony Eden: The expenditure on construction and other ancillary costs on the new hospital project as of 4th March, 1997, was:

(1) Construction	\$7,363,000
(2) Consultant Fees	1,223,000
(3) Project Management	457,000
(4) Medical Equipment	229,000
(5) Furniture & Furnishings	153,000
Total:	\$9,425,000

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister say if the construction costs are the result of any modification of the original plans, or do they emanate from a smooth following of the original plans?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: To this point there are no major cost implications.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Are we then to understand that there have been no modifications or alterations to the plans as they were originally laid?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: No. Mr. Speaker, that is not what I said. I said that the costs would have been built into the contingency if there were some minor changes.

The Speaker: If there are no further supplementaries, the next question is No. 30, standing in the name of the First Elected Member for George Town.

QUESTION NO. 30

No. 30: Mr. D. Kurt Tibbetts asked the Honourable Minister for Education, Aviation and Planning if the Government plans to build another Primary School in the District of George Town in the near future.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: With the Red Bay Primary School at capacity, and the George Town Primary School at near capacity, it is anticipated that a new primary school will be needed in the George Town district within the next few years. The Ministry is in the process of identifying an appropriate site for this new school.

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Based on the answer given, and considering the fact that at this time the Red Bay Primary School has three different classes for year One, and it is not expected to be the same way next September (and I am sure the Minister has considered what will happen in September), can the Minister state exactly how it is planned to accommodate the new students come this September?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: There is still some capacity left at the Savannah and George Town Primary Schools. While it is not always easy to predict with absolute certainty, we feel that within the three schools we will be able to accommodate the students.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Before I continue, I need the Honourable Minister to understand that any other supplementaries are totally genuine so we don't have to fight this morning.

I understand what the Honourable Minister just said, but is the problem purely related to cost? Or is it that planning the whole process takes a bit longer? because in the answer he said 'within the next few years.'

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The First Baptist School within that catchment area will be coming on stream in September. We will also be getting the enrollment figures fairly shortly, and there will be an assessment of that information. What we have tried to do, because Education is one of the largest expenditures, is assist private schools in an effort to give some of the students the option of going to schools such as the First Baptist School.

Within a few months I think we will be able to see better where we are going in that area. When I say that, I mean within the George Town/Savannah area. But we have taken into consideration that it is a very fast-growing area and the earlier efforts I made to alleviate problems at the Red Bay School unfortunately did not come to fruition.

The Speaker: If there are no further supplementaries, the next question is No. 31, standing in the name of the Third Elected Member for George Town.

QUESTION NO. 31

No. 31: Mr. Linford A. Pierson asked the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation to state the process by which the contracts were awarded for the furnishings, including cabinetry and appliances, for the new George Town Hospital.

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: The supply of furnishings, cabinetry and appliances to the new hospital involved three separate contracts. These are as follows:

(1) Cabinets: It is standard practise in the construction industry to have the construction contractor responsible for the supply and installation of cabinets. As a result, no separate tender documents were issued for the supply of cabinetry to the new hospital. Instead, cabinet requirements and specifications were included in the tender documents issued by the main consultants, Ellerbe Becket, for the overall construction of the new hospital. Tenders were received and opened by the Central Tenders Committee and the construction contract was awarded in March 1996 to McAlpine Ltd who was the lowest bidder.

(2) Furnishings: Tender documents for the supply of desks, chairs, tables, file cabinets, etcetera, for the new hospital were prepared by Ellerbe Becket and made available in January 1996 to interested local and overseas' companies for bids. Tenders were opened by the Central Tenders Committee in April 1996 and contracts were awarded to three local bidders for various furnishings 'packages.'

(3) Appliances: There were no separate tender documents issued for the supply of appliances for the new hospital. Appliances such as refrigerators, stoves, dish washers, etcetera, were included in the Medical Equipment Tender documents prepared by Ellerbe Becket and sent out to tender in January 1996 to interested local and overseas' companies. Tenders were opened by the Central Tenders Committee in September 1996 and five contracts were awarded to the lowest bidders for various 'packages' of equipment. Of these lowest bidders, one was local and four were from overseas.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Would the Honourable Member confirm that every opportunity was given to local businesses to bid on these contracts?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: Yes, Mr. Speaker. As a matter of fact I encouraged the contractor to use Caymanian suppliers wherever possible.

The Speaker: If there are no further supplementaries, the next question is No. 32, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 32

No. 32: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture to say whether or not the usual 50 Cayman Islands' dollars (\$50) given to indigents at Christmas time was distributed in December of 1996, and, if not, why not.

The Speaker: The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: The Ministry of Community Development, Sports, Women's Affairs, Youth and Culture decided not to issue the CI\$50 Christmas cheer cheque in 1996, due to the substantial increase in the monthly cheques given, which is now \$200 per month.

SUPPLEMENTARY

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Would the Honourable Minister say if it was a fair assessment that this decision applied to all three islands?

The Speaker: The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: Yes. When we took the decision to increase the assistance to the elderly from \$50 to \$200 we increased it in all three islands. We did not renew the \$50 Christmas cheer for Cayman Brac and Little Cayman and Grand Cayman.

The Speaker: If there are no further supplementaries, that concludes Question Time.

Other Business, Private Members' Motions. Private Member's Motion No. 1/97, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 1/97

ESTABLISHMENT OF A BULK STORAGE FOR PROPANE ON CAYMAN BRAC

Mrs. Julianna O'Connor-Connolly: I beg to move Private Member's Motion No. 1/97, The Establishment of a Bulk Storage For Propane on Cayman Brac, which reads:

"WHEREAS the utilisation of propane is a popular and necessary source of cooking fuel on Cayman Brac,

"AND WHEREAS there is constant shortage of propane on this Island,

"AND WHEREAS there are a number of variables which presently affect the supply of propane,

"AND WHEREAS the present method of supply of propane to Cayman Brac is resulting in undue hardship for the residents therefrom,

"BE IT THEREFORE RESOLVED that the Government further investigate the reasons for this said shortage and that Government encourage the establishment of a bulk storage propane facility on Cayman Brac."

The Speaker: The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: I am pleased to second the motion.

The Speaker: Private Member's Motion No. 1/97 having been duly Moved and Seconded is now open for debate.

The First Elected Member for Cayman Brac and Little Cayman.

(10.46 AM)

Mrs. Julianna O'Connor-Connolly: Thank you, Mr. Speaker. The majority of my constituents on the island of Cayman Brac utilise propane as a means to provide the requisite cooking fuel. There are some households using electrical stoves, but this means of fuel has proved far too expensive for the majority of residents, as our local electrical company adds a fuel factor of at least 25% of the total bill.

Presently, propane is shipped in cylinders on the Thompson's barge towed from Grand Cayman. Upon arrival, a local distributor is responsible for the sale of propane and the collection of empty cylinders. For years there has been a long and unnecessary waiting list, and it is quite obvious that the demand far exceeds the supply. Consequently, undue hardship is inflicted upon my people.

There is a constant shortage and the alleged reasons for this are numerous. I am made to understand that a normal shipment on the barge consists of some 90 cylinders, but that apparently varies from shipment to shipment. Once they arrive, the hotels and other commercial ventures are given priority, I am told. Often, the private households have to do without. What this translates to is that some of our people have to resort to using firewood as a means of cooking fuel. Those of us who can remember having to do this no doubt will be quite aware of the many inconveniences this poses.

Another apparent contributing factor to the constant shortage of propane on the Brac is the sporadic schedule of the barge which transports the propane cylinders. For the most part, the weather plays a major role in determining the frequency of trips to and from the Brac. If there is inclement weather, as experienced last Christmas when no ship was able to transport propane, then the already unbearable shortage was only intensified.

Another apparent contributing factor to the obvious propane shortage is that the number of full cylinders shipped to the Brac largely depends upon the number of empties that are returned to Grand Cayman. The method of collection used now is that the distributor drives around and picks up the empties (which are placed around the roadside), and then whenever the barge arrives he ships them back to Grand Cayman for filling. More times than not, I am made to understand that there are not sufficient empties available for collection, therefore causing a greater shortfall in the next shipment. This has a snowball effect.

Some households have managed to purchase more than one cylinder and both are connected to the stove. When one finishes the extra one serves as a substitute. Therefore, there is no immediate rush to disconnect the

empty one and place it on the roadside. As a result there is at least one less empty cylinder to return for refilling.

In times past, in endeavouring to keep up on the return of empties the distributor would go to private residences and disconnect the empty ones. However, he has now had to take the decision to stop this practise—in my opinion rightly so because on more than one occasion customers have made the accusation that the cylinder was not empty. Being the peace-maker he is, the distributor has provided out of his own pocket another full cylinder which means he has moved from the position of making a profit to subsidising his customers.

Based on the representation I have received from my constituents, it is the general view that if the bulk storage facility for propane is installed on the island of Cayman Brac, this would alleviate the problem of constant propane shortages. Years ago, before the installation of bulk storage for gasoline my people experienced similar unnecessary shortages. Luckily, such a facility has been put in place now in the Creek, and the supply is on par (or above par) with the demand. Therefore, the wellness of my people has been much improved.

On behalf of my fellow Brackers, I implore the Government to fully investigate the reasons for the propane shortage, and, once their findings have been collated, to make all possible efforts to encourage the establishment of a bulk propane storage facility on Cayman Brac.

The suppliers of propane in the Cayman Islands are, in my respectful opinion, very reasonable people and have a very strong connection with the electoral district of Cayman Brac and Little Cayman. I am confident that if the right approach is taken by Government, a suitable solution can be achieved. I assure you that the people of the Brac will be eternally grateful.

I trust that all Honourable Members will give this motion their full support.

The Speaker: The Motion is open for debate.

The Honourable Minister for Education, Aviation and Planning.

(10.52 AM)

Hon. Truman M. Boddien: I support this Motion. I believe that as the lady Member for Cayman Brac and Little Cayman has outlined, that talks should be entered into with the suppliers to see if this can be dealt with. I believe it is very much in the interest of the people of Cayman Brac and Little Cayman that this matter be dealt with. It has to be looked at as a necessity to have sufficient supply of propane for cooking purposes on Cayman Brac and Little Cayman.

As we have recently seen, there has been a move to put the storage of aircraft fuel on Cayman Brac and this will undoubtedly assist with having prices possibly lowered, because it can be taken over in bulk. Also, it will assist by ensuring that there is a continuous supply.

I believe that this is a move in the right direction. It has my full support. In any way that I can assist both Members from Cayman Brac and Little Cayman with this,

or any other matter which will assist those two islands, I will always do so. I have always had a close affinity with those two islands having worked there as a banker over the years and being associated with one of the two banks that are still there. This, coming along with the other concessions that we have assisted the two Members with, I believe will undoubtedly help the people of Cayman Brac and Little Cayman. Whatever I can do in this matter, I am prepared to do.

I fully support it.

The Speaker: The Third Elected Member for George Town.

(10.55 AM)

Mr. Linford A. Pierson: I rise in support of Private Member's Motion No. 1/97 entitled, Establishment of a Bulk Storage for Propane on Cayman Brac. I am well aware of the problems experienced in the Sister Islands, as during my term as a Member of Executive Council I was instrumental in correcting some of these problems. I can fully appreciate the wish of the First Elected Member for Cayman Brac and Little Cayman to also have proper propane supply for the people of Cayman Brac.

Although it might be said that it is not economically feasible to provide certain facilities and amenities to the Brac, I think that we need to understand that Cayman Brac and Little Cayman are very much a part of the Cayman Islands. As in the case of Cayman Airways Limited, the Water Authority, the fuel terminal and other facilities that have been provided in Cayman Brac, one cannot expect that there will be a profit in the first few years. Nonetheless, it is the responsibility and the duty of the Members of this Honourable House to ensure that the proper facilities are provided for those islands.

I think it was in 1991 that I spearheaded the water programme for Cayman Brac, and today it is serving a very useful purpose indeed. Before that was implemented there was a very dangerous situation with potable water in Cayman Brac. Today the residents of that island have the same facilities as are available to the people of Grand Cayman.

Although Cayman Brac may have a small population, it deserves the same services as those afforded the people of Grand Cayman. That is why I entered into negotiation in 1990 (or 1991) with Texaco Caribbean Ltd. to provide a bulk storage terminal on Cayman Brac. At that point it was said that it was not economically feasible. I mention that only to say that it might also be said that to establish a bulk storage propane facility on Cayman Brac may not be feasible. Regardless as to whether it is or not, I feel that the people involved in this type of business should enter into negotiations with the Government for providing that facility.

My contribution on this will be relatively short because I see no reason at all why this should not receive the full support of this Honourable House.

The Speaker: The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture.

(11.00 AM)

Hon. W. McKeeva Bush: I am pleased to be the seconder of this resolution. I seconded it because we are cognisant of the needs of the people of Cayman Brac. When the water was put in it was not making a profit, and when I took over the Ministry there had to be some matters regulated and management decisions made to turn that around. We did that, and we can expect a small profit in the water distribution there.

We are cognisant that in relation to water there is a need and the request to extend that water. I hear that it is costly, but it must be done to facilitate the development of Cayman Brac. I gave my word to the people of Cayman Brac that we will do it and I believe that Government is in support of this.

In this day and age can we imagine that we still have people using firewood? Not that this is something to be ashamed of, but it certainly, at this point in time does not say anything for our development, that people in our Sister Islands are doing something that has been abolished since the advent of modern facilities. I have witnessed this myself. I see some of the serious needs and shortages, and I say this in respect of some areas, not all, of Cayman Brac, especially the eastern districts—Spott Bay, Watering Place and those areas. Not to say that there are no needs elsewhere, but when I visit there as the Minister for Social Services and see these kinds of atrocities, I have to wonder where we are going and what we are doing.

Imagine people with young children who might need hot water in the middle of the night. They have to go back to pre 1960 to get this sort of amenity. We cannot allow this to go on.

I would like to offer a word of congratulations and praise to the First Elected Member for Cayman Brac and Little Cayman for taking this action. It shows that although she is new in this House she is well aware of the needs of her people. She is prepared to do what is necessary as far as she, as their representative, can do.

Whatever we, as a Government, have to do to see this matter rectified, we will do, as the Honourable Minister for Education, Aviation and Planning has said.

The Speaker: The Third Elected Member for Bodden Town.

(11.04 AM)

Mr. Roy Bodden: I rise to give my support to this Motion which is most reasonable. Certainly those of us on Grand Cayman who are conscientious are very concerned about the inconveniences and development problems experienced by our brothers and sisters in Cayman Brac. This is a more than reasonable request, one to which any well meaning legislator should lend support.

It has been pointed out that there may be some sensitivity as the Government may have to enter into discussion with the suppliers of this product. Business being what it is, people are primarily propelled by the profit motive. Nevertheless, it seems from all that has been said, and from my bit of knowledge about the circumstances on the Brac that if this request were to be met and a venture entered into, it would not be long before the investors realise a good rate of return on their investment.

We are always cognisant of the needs and requests of the people on Cayman Brac which have always been practical and relevant. I hope that both parties, Government and the suppliers, are able to come to a reasonable and amicable agreement so that we may have this glaring inconvenience alleviated as soon as possible. It has my support as I am always seeking opportunities to improve the quality of life for the people of these islands.

The Speaker: The Third Elected Member for West Bay.

(11.06 AM)

Mr. John D. Jefferson, Jr: I am also pleased to lend my support to this request. I am aware that Government implemented some provisions and policies last year which I believe have helped the economy in Cayman Brac. I believe that a storage facility for propane there will also greatly assist development, not only on a residential basis, but also commercially.

I have a lot of respect for the people of Cayman Brac and Little Cayman, and anything that I can do in order to assist, I am prepared to do.

I congratulate the First Elected Member for Cayman Brac and Little Cayman for her interest in her people. This Motion has my support.

The Speaker: The First Elected Member for George Town.

(11.08 AM)

Mr. D. Kurt Tibbetts: I, too, rise to give my full support to this Motion. While not trying to be repetitious, I think there are a few small points which have to be considered which have been (and probably still are) stumbling blocks and why this effort has not occurred before.

I think without having to go into too much depth, the obvious stumbling block is the financial feasibility of such a storage facility. I just wish to take this opportunity to suggest that while it may not be a viable operation for the company that is supplying the gas, Government may well have to take the position to do it no matter what the cost and allow for a lease purchase of the facility over a certain period of time. Regardless of who engages in this type of business, while there is a certain responsibility for them to provide the service as efficiently as possible, the economics also have to be taken into consideration.

I believe that if the storage facility does become a reality, the other inherent problems with regard to supplying propane to Cayman Brac can be worked out. So,

while what I suggest is not necessarily the best answer, I think it is the approach that we will have to take for it not to be another five or ten years before it is done.

I just thought I would air that, but I lend my full support to the Motion and point out that it is good to know that Cayman Brac has a representative like the lady Member who is very conscientious and wishes to do what she can for her constituents.

The Speaker: The Honourable Minister for Tourism Commerce and Transport.

(11.13 AM)

Hon. Thomas C. Jefferson: I rise to support Private Member's Motion 1/97 for the establishment of bulk storage for propane on Cayman Brac. I believe the first thing that I should do is offer congratulations to the First Elected Member for Cayman Brac and Little Cayman for bringing this Motion to the floor.

I have always tried to assist the people of the Brac in any way that I can, and I believe that all who live in the Cayman Islands should benefit from the prosperity we boast about from time to time. If there are areas of their quality of life that does not seem to be at the appropriate level, then we should do everything to assist the constituents whether they are in Cayman Brac or otherwise.

I find that the people of the Brac do need substantial help and I believe that the initiatives put in place last year by this Government will benefit them significantly. I hope that this Motion will have unanimous support in this House so that Government can look at the possibility of encouraging the multi-national corporations, as I call them in some cases, to establish a bulk storage for propane in the Brac. Sometimes when you get accustomed to a particular facility you fail to realise how important it is until it comes to an end. We take for granted even the electricity sometimes. The day the power goes off we realise how dependant we are on it. The same is true for propane gas. Many of the kitchens on Cayman Brac and on Grand Cayman depend upon that source for cooking, and hungry people are normally not happy people!

We are going to do everything that we can to assist the Motion put forward by the lady Member for Cayman Brac. I offer her congratulations again.

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

(11.17 AM)

Hon. Anthony Eden: I also rise to give my support to this Motion. The significant improvements which have taken place in Cayman Brac recently are on the records. As an earlier speaker said, there can probably be nothing worse than a young child waking up at night needing something warm. Sometimes the inclement weather prevents the boats from going to Cayman Brac. Then it is like going back to the days when most of us grew up and

had to use wood. The Cayman Islands are certainly beyond that in this day and age.

Watching the programme "Destroyer at Rest" last night showed what this Government is doing to try to make things better in Cayman Brac. We must all realise that we are all Caymanians, Grand Cayman should not have better service than our Sister Islands. It is not fair to provide new infrastructure over there, when something as basic as warm food is denied.

I would also like to extend my congratulations to the First Elected Member for Cayman Brac and Little Cayman for taking this initiative. We would not want to be sending visitors to the hotels and restaurants over there and have them wait two or three days to get a meal. I ask the entire House to give support to this wonderful Motion.

The Speaker: The Fourth Elected Member for George Town.

(11.19 AM)

Dr. Frank McField: I also rise in support of this Motion. Since I am not very familiar with the physical and economical conditions of Cayman Brac, I am going to take this opportunity to point out the type of consciousness which is at work here when Members of this Parliament support such a Motion that will not end in profits, but will in fact, cause another expense to the Treasury of this Government.

The reason why I am mentioning this, is that when we are supporting a Motion such as this, we are not saying that profit is ultimately important; we are saying that the well being of the people of these islands is what we are all about. I think at a time like this I would like to stress this type of decision because tomorrow, when we have to pay for it, I hope that all Members of this House will remember that we need money. I hope that the very nice words, especially by the Third Elected Member for George Town, will be remembered when the time comes to pay the Bill.

The Speaker: If no other Member wishes to speak, would the Honourable Mover of the Motion wish to reply?

The First Elected Member for Cayman Brac and Little Cayman.

(11.21 AM)

Mrs. Julianna O'Connor-Connolly: I am delighted with the overwhelming support that I have received from all Members, including the Second Elected Member for Cayman Brac who heartedly supports this Motion. I am sure that my constituents will be extremely grateful for the support shown here this morning and also for the extended support for future projects.

The Speaker: The question is Private Member's Motion No. 1/97. "BE IT THEREFORE RESOLVED that the Government further investigate the reasons for this said

shortage and that Government encourage the establishment of a bulk storage propane facility on Cayman Brac.”

I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. PRIVATE MEMBER'S MOTION NO. 1/97 PASSED.

The Speaker: This might be a convenient time for the morning break. Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 11.22 AM

PROCEEDINGS RESUMED AT 12.02 PM

The Speaker: Please be seated.

Private Member's Motion No. 2/97, Establishment of an Immigration Board for Cayman Brac and Little Cayman. The First Elected Member for Cayman Brac and Little Cayman

PRIVATE MEMBER'S MOTION NO. 2/97

ESTABLISHMENT OF AN IMMIGRATION BOARD FOR CAYMAN BRAC AND LITTLE CAYMAN

Mrs. Julianna O'Connor-Connolly: I beg to move Private Member's Motion No. 2/97 which reads:

“WHEREAS there is now established the Development Control Board, the Planning Appeals Tribunal, the Education Board and the Liquor Licensing Board for Cayman Brac and Little Cayman;

“AND WHEREAS there is an increased demand for work permits an other licences for persons to work in those Islands;

“BE IT THEREFORE RESOLVED that Government considers the amendment of the Immigration Law to provide for the establishment of an Immigration Board for Cayman Brac and Little Cayman.”

The Speaker: The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeever Bush: Mr. Speaker, I am pleased to second the motion.

The Speaker: Private Member's Motion No. 2/97 having been duly Moved and Seconded is now open for debate.

The First Elected Member for Cayman Brac and Little Cayman.

(12.04 PM)

Mrs. Julianna O'Connor-Connolly: Although the Sister Islands are an integral part of the Cayman Islands, they are nonetheless separated by some 90 miles of Caribbean sea. For the avoidance of doubt, let me hasten to say from the very beginning that the creation or establishment of an Immigration Board will in no way set a precedent, as already there is established on Cayman Brac a Development Control Board which deals with all Planning matters relating to the Sister Islands. There is also for several years now the existence of the Planning Appeals Tribunal.

We also have our own Education Board with two of the Members sitting for representation on the Education Council here in Cayman. There is then the Liquor Licensing Board which has also been established for a number of years on Cayman Brac dealing with liquor licensing applications in respect of those two islands.

Presently Cayman Brac and Little Cayman has one Member on the Immigration Board here on this island and there are many occasions when she finds herself in a position where she is unable to attend the various meetings of the Immigration Board here on Grand Cayman, through no fault of her own. I am duly informed that on many occasions she has gone to the airport and Island Air has bumped her and replaced her with a tourist, or various reasons which I choose not to go into at this time in this particular forum. Suffice it to say that when this happens in Grand Cayman it leads to unnecessary expenses being incurred for an additional day of car rental and hotel accommodation, among other frustrations.

There are times, therefore, when the Immigration Board sits in Grand Cayman when Cayman Brac and Little Cayman have absolutely no representation. Further, it is a well known fact that the Immigration Board in Grand Cayman is overworked. I respectfully submit that based on the anticipated revenue as set out in this year's Budget there is no doubt that this workload will decrease. To further compound this we expect more development on Cayman Brac in the next few months, and already applications within the Planning Board has increased significantly. I have no doubt that the same will obtain within the Immigration Department and its related Board.

I am also confident that if an Immigration Board were established on the Brac it would speed up the application process. This would enhance expediency. Moreover, such a Board would comprise of Caymanians from the Sister Islands who are familiar with the specific needs of our community and would be in a much better position to deal with the applications. I am cognisant of the fact that the applications should be dealt with and not the applicants, but it is oft times necessary to look at the applicant and the extrinsic circumstances because granting, or not granting such a permit can sometimes have grave results.

Further, I believe that establishing an Immigration Board on the island of Cayman Brac would also prevent many constituents having to travel to Grand Cayman at

their own expense whenever there are queries or when they are desirous of an audience with the Immigration Board. The creation of an Immigration Board would also provide some additional work for people in that it would require at least two additional staff members to the grossly understaffed Immigration Department as it presently exists.

Having additional staff would not alleviate the many problems experienced with the delay in issuing work permits, but would allow the Immigration Department to create and implement an enforcement arm for which there is an alarming need on the Sister Islands. It is the general feeling that when documents have to be sent over to Grand Cayman they are not given priority. Whether this is factual or perceived is not for me to say.

Investors, in particular on the island of Cayman Brac, are looking for a one-stop market which is efficient and reliable with an element of accountability. Therefore, I believe that the establishment of an Immigration Board for the island of Cayman Brac and Little Cayman would be a move in the right direction. I therefore urge all Members of Government to support Private Member's Motion No. 2/97 resulting in an amendment to the Immigration Law to make provision for the establishment of such a Board.

I trust that all Members will support this Motion.

(12.10 PM)

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: Thank you, Mr. Speaker.

I rise to offer my support for this Motion calling for the establishment of an Immigration Board for Cayman Brac and Little Cayman. I think it is essential because we are now trying to encourage development, especially on Cayman Brac. With development will come demand for additional work permits and other licenses for people wanting to operate on Cayman Brac and Little Cayman.

I recently had the experience of establishing a business on Cayman Brac. It was a real pleasure to work with Planning and the Fire Department and all the other related agencies in order to make it become a reality. I think it is unfair for the development of Cayman Brac and Little Cayman to be dependent upon the situation we have here in Grand Cayman where we sometimes have to wait six or eight weeks for a work permit or Trade and Business licence.

I believe that we can find responsible people within those islands who will serve as the Board members of that establishment. They will ensure that applications are dealt with in an objective manner, and will be in no way skewed towards special interest groups.

I believe that the communities of Cayman Brac and Little Cayman deserve this consideration. I believe that it will prove to be a wise decision with regard to Government establishing such an entity. The only thing I would express caution about is ensuring that some care is taken in the selection of the Board members of the Immigration Board in Cayman Brac and Little Cayman.

I am pleased to support this request and urge my colleagues in the House to do the same.

The Speaker: The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture.

(12.14 PM)

Hon. W. McKeeva Bush: Government is prepared to support this request. We realise that proper facilities and mechanisms are needed to facilitate and advance development in the Sister Islands. While we say that we want development, we have to be prepared to put in place the things that are needed.

Cayman Brac and Little Cayman in this day and age need to have this Board, as much as they need to have the Development Control Board. They need what I think is one of the most important Boards to work along with that Immigration Board, to give people the feeling that if they want to develop in Cayman Brac they do not have to run to Grand Cayman to get a work permit and then back to Cayman Brac for permission from the Development Control Board. I believe that is not working in the best interest of development for the Sister Islands.

I am glad that the First Elected Member for Cayman Brac and Little Cayman has brought this to the forefront and we are prepared to put this in place as quickly as possible.

The Speaker: The Fourth Elected Member for George Town.

(12.17 PM)

Dr. Frank McField: I would like to make a brief contribution to the debate on Private Member's Motion No. 2/97 calling for the establishment of an Immigration Board on Cayman Brac and Little Cayman.

My problem is that I do not understand the physical and economic conditions of Cayman Brac, but in trying to look at the three islands as parts of the same whole (and not separate entities), my question at this moment is whether or not it is expedient and good for all to develop divisions in terms of our concept of self and in terms of our abilities to solve problems collectively.

To be more specific, Immigration has to do with the concept of nationality. It has to do with the definition of who belongs and the borders within which we are to belong. My debate in terms of establishing a separate Immigration Board with regard to what I consider to be the powers of the Immigration Board, which are pretty extensive, is based upon the assumption that there would be a duplication in terms of functions. The functions of this new Immigration Board would be the same as the one which now functions for the three islands. In fact, this Immigration Board would have the same type of power to determine questions of residency or belonging, and therefore the rights of those people to belong or not to belong, to work or not to work.

I am questioning the whole idea of decentralising. At this particular time when we are at a cross-road in the concept of who belongs we have to try to come to some agreement as to what kinds of changes will occur with regard to our Immigration Laws. I think I would prefer to debate those things before I go on to decide about establishing a separate Immigration Board for Cayman Brac and Little Cayman at this time.

I think we are all in good conscience trying to do what is right to improve the physical and economic developments in Cayman Brac, but we must be aware that as a nation we must prevent a repetition of the conditions in Cayman Brac as we have seen develop in Grand Cayman over the past 20 years. Progress should not come at any cost. Although I, as a Grand Caymanian, do not like to be telling the people in Cayman Brac how they should develop, I still realise that we have one Parliament, one Law and therefore we should have one intention, regardless of whether or not we are separated by water.

Unless there is great inconvenience there should be no attempt to further decentralise the authority of the Immigration Board. The question of Immigration in this country is too important, especially when we realise that not only people with capital are coming here asking us to make a place for them, but also people who are not bringing capital, people who are not even bringing skills are coming here asking us to make a place for them. So it is a consideration that should not be made by any specific district, it is a consideration that should be made by the country as a whole.

I am afraid that if decentralisation takes place at this particular time in regard to Immigration we will have no way of guaranteeing that the decisions being made in Cayman Brac are in sync with the decisions being made in Grand Cayman. We should strive to preserve a cohesiveness with regard to the decisions made by Immigration.

As much as I would like to make it convenient for people trying to do business in Cayman Brac, they must realise that the question of development is a very difficult question and we in the Cayman Islands at this particular juncture realise that we have let certain things get out of control simply because certain people wanted certain things at certain times. As the Governor said in his Throne Speech, if we are going to lose our identity and sense of community at the end of the day, can we consider that to be real progress?

I am not saying that people should not be free from the whole idea of having to cook with fire wood; I am not saying that people should not have jobs provided, and I am not saying that people should not be able to afford maids. I am not saying that people should not be able to see the same big cement buildings going up in Cayman Brac as have gone up in Grand Cayman, but at the end of the day it is a sight that will affect all of us, not only the people of Cayman Brac. Whatever goes on there will affect all of us.

If tomorrow the social balance between the people who are not from here, the people from here and Cayman Brac gets out of sync, that is also the responsibility of the

people of this country as a whole. Therefore, I cannot see why we would want to give up the say which we need to have in terms of this very important legislation.

I will close by saying that the problem I have in supporting this Motion is that I would like to have time, and I think other Members should take time to think about the possible ramifications—not saying that the people sitting on the Immigration Board in Cayman Brac would not do as good a job as anybody else—but think about the ramifications it might have on the entire concept we have as Cayman and Caymanians today. These are the questions that the Immigration Board will have to be making, whether or not to grant a work permit or allow a person residency, would have to benefit the community as a whole, not just the community of Cayman Brac.

Although some people may be willing to live with certain things in Cayman Brac, we may not be able to live with it in the Cayman Islands. The Immigration Board must remain under the control of the Government of the Cayman Islands as a whole and decentralisation at this particular time will weaken the authority of the Parliament and the Government of this country.

I have seen the effects of this type of decentralisation policy. It will mean that the Immigration policies of this country will possibly come under the influence of special interest groups. Unless we can secure the Immigration Board from coming under the influence of these special interest groups, I say let us be cautious about this. I saw a demonstration in this country yesterday that frightened me because it made me aware of how powerful special interest groups can be.

We have to balance the needs of the people against the ability of people to corrupt and manipulate those needs. When we give an Immigration Board the power that we will be giving them in Cayman Brac, we must make sure that it will not be influenced and dictated to by special interest groups which use economics to intimidate and manipulate.

We are doing much to subsidise the development of Cayman Brac. This will not only benefit the people of Cayman Brac, but will benefit the people who will emigrate to Cayman Brac. So, if we are willing to put out with one hand, we would like to remain in control with the other hand.

Until we find a better way of solving this, I suggest that what we look at is changes that we might be able to make in our Immigration Laws and how the Immigration Board might speed up the process of granting work permits. The question of whether or not Cayman Brac is separated by 90 miles of Caribbean sea.... Communication throughout the world is improved every day—a person can work in Hong Kong while being in the Cayman Islands. Somehow I believe that with Cayman Airways Limited, and the dedication of the Minister to improve the transportation between Cayman Brac and Little Cayman, these problems could be overcome much more easily than those that might be created by special interest groups trying to take over and influence the new Immigration Board in Cayman Brac.

For these reasons, I will say that I cannot support Private Member's Motion No. 2/97.

The Speaker: The Third Elected Member for Bodden Town.

(12.30 PM)

Mr. Roy Bodden: I have listened to the positions put forward in regard to this Motion and I have to say that I have been impressed by the position taken by the Fourth Elected Member for George Town. His arguments have been persuasive indeed and I would only add one significant point to what he has said, in that, shortly there will be coming before this Honourable House a Bill to take the Immigration Law to a Select Committee.

I would therefore respectfully suggest that any decision on this momentous request be left until this House has had a chance to carefully weight the potential impact of this decision and can air it thoroughly in the Select Committee. It may well be that in granting this request we will be allowing what has already happened in Grand Cayman—which may be irreparable—to happen in Cayman Brac. Therefore, I cannot offer my support at this time, taking arguments such as these into consideration.

The Speaker: The First Elected Member for George Town.

(12.32 PM)

Mr. D. Kurt Tibbetts: Private Member's Motion No. 2/97 as explained by the Mover is based upon the wish for convenience among other things. I, too, have listened to the arguments put forth regarding the pros and cons of whether or not Cayman Brac and Little Cayman should have their own Immigration Board.

I think that one of the things we have to look at carefully is whether it is envisaged that the operations of that Board will be totally parallel with the Immigration Board existing today in Grand Cayman. The Mover of the Motion will have an opportunity to explain that in her winding up, but my understanding is that it is not intended for that Board to be able to make certain types of decisions, for instance on residency, status and matter such as that. I think that the whole purpose of the exercise is to allow the people in Cayman Brac to do the day-to-day affairs, which they presently have some encumbrances dealing with as the Immigration Board is in Grand Cayman, in a fairly autonomous fashion.

Let me say that the people of Cayman Brac are as resilient as they come. While I understand any questions which may come to mind, for instance, what the Fourth Elected Member for George Town spoke of, special interest groups, it is my humble opinion that the people of Cayman Brac are as well equipped as anybody we can think of in-house or out of house to deal with matters like that. I personally do not have any problems in that area.

While we talk about looking into the review that is supposedly going to shortly take place in Select Commit-

tee, once the Government Motion is passed, about the Immigration Law, there was a sitting Member of this House (who is no longer with us) who I heard say, "If you want something to die, put it into a Select Committee." The reason I mention that is that, while it would be very good (if I thought it were going to be a realistic situation), it is my humble opinion that if we hinge this Motion with the Motion to shortly be proposed, this Motion will never be dealt with. That is the position I take based on the short experience I have had.

The Mover of this Motion will have the opportunity to explain the questions that have arisen during the debate, but let me say, before I go any further, that I sincerely appreciate that people are trying to think things through. That is the only way the group of us sitting in this House can end up with the best results. So it is always good to hear the drawbacks one might see. But I am certain that the Mover of this Motion will be able to clear the air as to how she would envisage the situation to operate if it were to be passed.

The other question I raise is: If there were to be an Immigration Board in Cayman Brac, there are certain administrative processes which would naturally have to take place. I think we need to think of that to ensure that it is not something that is going to create more of a problem than the one it is supposed to be solving. I am not suggesting that it cannot work itself out. I am just saying that we need to make sure that when we are dealing with it that we think it through, that it is not a difficult situation to put into place and is not something that what exists in the Brac now cannot accommodate.

With regard to the people in the Brac being able to operate that Board properly, I have no problems with that at all. I think we simply need to ensure that while solving the problems it is hoped to solve, will not be creating others.

I would like to ask the Mover of the Motion to respond to the questions coming to the minds of those of us who have debated. I firmly believe that at this point in time each and every one of us who has debated wishes to bring about the best result. I think the onus now comes to the Mover to prove her case. I think that we will just listen to what she has to say, and I am certain that she can prove the case. Unless I have a different view based upon what the Mover says in winding up, I support the Motion.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

(12.39 PM)

Hon. Truman M. Bodden: I have listened carefully to what all of the Members have said. The Motion itself refers to an amendment to the Law. What will happen is that an amendment would be prepared and brought back to the House so that Members' concerns can be dealt with at that time.

I take the very salient points raised by the Fourth Elected Member for George Town. As I understand, the

Board will be working with work permits for Cayman Brac and Little Cayman. I did not understand, nor do I believe it was intended that it would go beyond that. I believe that could allay the fears of the Fourth Elected Member for George Town. He is quite right that the Board's powers are extensive. This is really meant to be the equivalent of the Development Control Board and also of the Education Board. Together, they do not have the full power that exists in the other substantive Boards.

I think the reason for this is really a matter of expediency. As I said, it will only be for work permits relating to Cayman Brac and Little Cayman, but in any event all Members of this House will have an opportunity in the near future to debate this. If Members feel that the powers extend too far, then, by all means, it can be dealt with in this Honourable House.

This Motion basically gets Government in gear to start looking at this and to prepare legislation that will then come back to this House. It is true that there is further legislation coming up relating to the Immigration Law, but it is not intended to piggyback on this by any means. Members will have an opportunity to look at it.

I believe it will bring benefits and I believe that the legislation can be so drafted to take care of the fears raised by the Members who spoke. While we are three islands, I believe that if this is drafted very precisely, I have found both the Development Control Board in Cayman Brac and Little Cayman as well as the Planning Appeals Tribunal and Education Board to work well. The Immigration Board would naturally be subject to the directives, regulations, application forms and other matters relating to it, but I do agree that the drafting has to be precise so that some of the fears of the Fourth Elected Member for George Town are properly taken care of.

I believe that the lady Member for Cayman Brac and Little Cayman can probably also allay those fears. I hope that in the end, since Members realise that it will be coming back—and we give that undertaking that it will come back—they can then make any changes that they wish.

I support this and I believe that it will help Cayman Brac and Little Cayman.

The Speaker: Does any other Member wish to speak? If not, would the Mover wish to reply?

The First Elected Member for Cayman Brac and Little Cayman.

(12.44 PM)

Mrs. Julianna O'Connor-Connolly: Thank you, Mr. Speaker. I would first like to thank those Members who rendered their support in this regard and make other submissions in respect of the other comments.

It is true that Cayman Brac is separated by some 90 miles from Grand Cayman, but that is not only a geographical problem, but one only has to be resident on Cayman Brac for a minimum of one day to be fully cognisant of the fact that 'out of mind' is often metamorphosed 'out of sight.' As the Indian proverb says, you have to walk in one's shoes to appreciate the difficulties. More-

over, if the Fourth Elected Member for George Town has somehow directly connected the presence of what he terms 'special interest groups' in this Parliament to the composition of the Immigration Board here in Grand Cayman, then, for the life of me, I cannot comprehend why he would want that same Board to have jurisdiction over Cayman Brac.

I can also say, like the First Elected Member for George Town, that I have no fear whatsoever about the mental competence of my fellow Brackers in making decisions in accordance with the directives, Laws and regulations set down by this Honourable Parliament and/or Executive Council. I should also hasten to say, like the First Elected Member for George Town, the people on Cayman Brac have a very different approach to many issues and I can safely say that if it were left to them the number of persons now possessing Caymanian status would not have reached the level it has in Grand Cayman.

We, on the Brac, view that as a very sacred possession. Although the Motion in no way envisages dealing with residency and/or status, but merely with work permits and Trade and Business licenses which I am confident my people are capable of handling.

In addition to that, although most of the world has entered into the computer era, until now it has not been seen fit to connect the Immigration Department to a level which would render expediency with the Department in Grand Cayman. I can say as Chairman of the Development Control Board for the past five years, even when a Board is established on Cayman Brac the difficulties experienced on a day-to-day basis are unbelievable. There are applications which have been sent to Grand Cayman—all in order, I might add—and it is not unusual for a year to pass without any reply whatsoever. That is what I refer to when I say you must walk in the shoes before being able to feel the pinch.

I am also fully cognisant that coming before this Honourable House is a move for the Immigration Law, among other laws, to go into Committee stage. I have to agree with the First Elected Member for George Town again, in that if there were ever a mechanism put in place to stagnate what one would like to see happen because time is of the essence, then put it in committee. I still adhere that the best committee is a one man committee.

As mentioned in my initial submission, we have every confidence that due to the economic incentives the Government of the day has put in place, there will be an increase in applications in respect of work permits and Trade and Business Licences. In order to create and foster an economic atmosphere we believe that it is necessary to establish such an Immigration Board.

When one looks at the track record of the people of Cayman Brac and Little Cayman there is no question as to our potential. This brings me to something which was said recently by Nancy Reagan. She said that a woman is like a tea bag; one never knows her strength until she is put into hot water! If ever that is evident it will be with this Member when remarks are made in a discriminatory fashion about my constituents, the people of Cayman

Brac and Little Cayman. I believe that when placed on an equal level with any other district within the Cayman Islands, there is not one circumstance where we would fall below par.

I believe that the establishment of this Board in due course will bear this out. As always, the people of Cayman Brac will be extremely grateful for due and careful consideration by Members of this Honourable Parliament. In addition they will be extremely grateful for proper and detailed research prior to the voicing of thoughts, as words can often cause irreparable damage and undue hardship.

Mr. Speaker, I thank you.

The Speaker: The question is Private Member's Motion No. 2/97. "BE IT THEREFORE RESOLVED that Government considers the amendment of the Immigration Law to provide for the establishment of an Immigration Board for Cayman Brac and Little Cayman."

I shall put the question. Those in favour please say Aye...Those against No.

AYES and NOES.

The Speaker: The Ayes have it.

Mrs. Julianna O'Connor-Connolly: May I ask for a division please?

The Speaker: You may. Madam Clerk, please take the division.

Clerk:

DIVISION NO. 4/97

AYES: 9

Hon. Richard H. Coles
 Hon. George A. McCarthy
 Hon. W. McKeever Bush
 Hon. Truman M. Bodden
 Mr. John D. Jefferson, Jr
 Mr. D. Kurt Tibbetts
 Mrs. Julianna O'Connor-Connolly
 Miss Heather D. Bodden
 Mrs. Edna M. Moyle

NOES: 2

Dr. Frank McField
 Mr. Roy Bodden

ABSENT: 6

Hon. James M. Ryan
 Hon. Thomas C. Jefferson
 Hon. John B. McLean
 Hon. Anthony Eden
 Mr. D. Dalmain Ebanks
 Mr. Linford A. Pierson

The Speaker: The result of the division is nine Ayes, two Noes, the Motion passes by majority.

AGREED BY MAJORITY: PRIVATE MEMBER'S MOTION NO. 2/97 PASSED.

The Speaker: Government Business, Bills. The continuation of the Second Reading debate on The Miscellaneous Provisions (Fees And Duties) (Temporary) Bill, 1997.

The Honourable Third Official Member responsible for Finance and Development.

GOVERNMENT BUSINESS

BILLS

SECOND READING

THE MISCELLANEOUS PROVISIONS (FEES AND DUTIES) (TEMPORARY) BILL, 1997

MOTION TO DEFER SECOND READING DEBATE

Hon. George A. McCarthy: In accordance with Standing Orders 24(9) and 36(2) I would like to move a motion that debate on the Bill be temporarily adjourned, or suspended, until the Government has concluded its discussions with the various Association representatives.

Yesterday, Ministers of the Government and I met with the various representatives to review the proposed measures as set out in the Bill. While we were able to come to an agreement on the majority of the measures as set out in the schedule, there were some areas that required further review and the Association representatives asked for time in order to meet/consult further with members of the private sector to agree on these or to continue further discussion on these.

The ones in question that they would like to consult further are the measures relating to impact fees. It is hoped that the Association representatives will be able to communicate their views to the Government during the course of today and, if that is the case, the Government should be in a position to advise this Honourable House by tomorrow what amendments will be made to the proposed measures as set out in Government Motion No. 3/97. If this can be achieved, then the continuation of the debate on the Bill can then be reactivated.

Also, until discussions are concluded and the Bill can be recommitted, the Collector of Customs has been instructed to continue the collection of duty based on the tariff rates in the Customs Law as set out prior to the introduction of Government Motion No. 3/97 which was passed in this House last Wednesday. The authority for this action is obtained from that which is vested in the Financial Secretary under the provisions of the Public Finance and Audit Law, specifically section 54(1)(a) which authorises the Financial Secretary to abandon, remit or waive any claim by or on behalf of the Government.

This is the approach which had to be taken as the current measures as set out in Government Motion No. 3/97 are in effect, and will remain in effect, until rescinded by a further Government Motion which would

have to be brought hence the reason why, as Financial Secretary, I have had to resort to the provisions of the Public Finance and Audit Law in order to give the necessary instructions to the Collector of Customs. Therefore, for clarity, those enhanced measures, or increases that would have come about, or changes to the rates in the Tariff Law, based upon Government Motion No. 3/97, are temporarily suspended until the further changes are advised to this House.

The Speaker: The question is that debate on the Miscellaneous Provisions (Fees and Duties) (Temporary) Bill, 1997, be deferred until a later sitting. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. SECOND READING DEBATE ON THE MISCELLANEOUS PROVISIONS (FEES AND DUTIES) (TEMPORARY) BILL, 1997, DEFERRED UNTIL A LATER SITTING.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

ADJOURNMENT

Hon. George A. McCarthy: I move that this Honourable House be adjourned until tomorrow morning at 10 o'clock.

The Speaker: The question is that the House do now adjourn until tomorrow morning at 10 o'clock. I shall put the question. Those in favour please say Aye... Those against No.

AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned.

AT 1.00 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM FRIDAY, 21ST MARCH, 1997.

**EDITED
FRIDAY
21ST MARCH, 1997
1.47 PM**

The Speaker: I will ask the First Elected Member for Cayman Brac and Little Cayman to say prayers.

PRAYERS

Mrs. Julianna O'Connor-Connolly: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed.

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

APOLOGIES

The Speaker: We have apologies from the Honourable First Official Member who will be absent today.

Government Business, the suspension of Standing Order 24(5). The Honourable Third Official Member responsible for Finance and Development.

GOVERNMENT BUSINESS

**SUSPENSION OF STANDING ORDERS
Standing Order 24(5)**

Hon. George A. McCarthy: Mr. Speaker, suspension of Standing Order 24(5) is sought in order to allow for Government Motion No. 4/97 to be taken.

The Speaker: The question is that Standing Order 24(5) be suspended to allow Government Motion No. 4/97 to proceed without notice. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: STANDING ORDER 24(5) SUSPENDED.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

GOVERNMENT MOTION NO. 4/97

**THE CUSTOMS LAW, 1990
THE CUSTOMS TARIFF LAW (1996 REVISION)**

Hon. George A. McCarthy: In accordance with the provisions of Standing Order 68A and pursuant to section 74 of the Customs Law, 1990, the following resolution is moved:

"BE IT RESOLVED this day by the Legislative Assembly under the powers conferred upon it by section 74 of the Customs Law, 1990;

"THAT Government Motion No. 3/97, passed by the Legislative Assembly on 12th March, 1997, respecting the exemptions from and variations of the rates of Customs Duty and new charges of Customs Duty under the first and second schedules of the Customs Tariff Law (1996 Revision) be rescinded and that the following exemptions from and variations of rates of Customs Duty and new charges of Customs Duty under the first and second schedules of the Customs Tariff Law (1996 Revision) be made:

"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."

Mr. Speaker, if you would allow me, I would like to read through the new schedule for the benefit of yourself and all Members.

Code Number	Heading	Duty	New Duty
38.01	Items With Increases Disinfectants, insecticides, etc.	Duty Free	15%
24.01	Manufactured Tobacco - cigarettes	\$30 per 1,000	\$35 per 1,000
03.02	Shellfish and Crustaceans, fresh whether live or not, chilled or frozen	15%	10%
87.11	Motor vehicle parts and accessories	20%	25%
88.01	All Boats for local use, whether sailing from abroad under own power or not, and whether registered or not, but excluding ocean- going vessels temporarily or for short periods in the Cayman Islands under 18 feet.	Duty Free	Duty Free
	Between 18 feet and 35 feet.		10%
	Over 35 feet.		5%
87.02	Motor cars	27.5%	
	Up to \$20,000 c.i.f. value		27.5%
	Exceeding \$ 20, 001 c.i.f. but not \$25,000 c.i.f. value		30%
	Exceeding \$25,001 c.i.f. value but not \$30,000 c.i.f. value		35%
	Exceeding \$30,000 c.i.f. value		40%
24.02	Manufactured Tobacco, cigars	85%	100%

I should point out, as you will see in the schedule, "Reduce cigars duty free passenger allowance to 25 Duty Free." Children under 18 are excluded from this allowance as well as for passenger allowance for liquor and cigarettes. Or to be more specific, the allowance of 50 cigars per passenger has now been reduced to 25.

87.05	Motorcycles	20%	
	Motorcycles up to 90 cc		30%
	Motorcycles over 90 cc		35%
27.01	Motor Gasoline	25 cents/gal	40 cents/gal
DUTY FREE ITEMS			
04.03	Flavoured milk, yoghurt, ice cream	20%	Duty Free
19.99	Cereal & cereal prepara- tions	20%	Duty Free
87.04	Vehicle to transport the Handicapped, not for com- mercial use	27.5%	Duty Free
9.21	Cocoa and drinking choco- late	10%	Duty Free
109.11	Tea & tea concentrates	10%	Duty Free

Mr. Speaker, in order to give clarity to the understanding now reached between the Government and the community at large through their representatives who are members of the Council of Associations, after several meetings with these representatives we have now come to a very good understanding on all of these measures.

Accordingly, the following joint press release will now be made.

"The Cayman Islands Government and the Council of Associations representing the private sector are pleased to announce that talks have been fruitful.

"After further consideration of the revenue measures agreement has been reached on all measures in the schedule. All development impact fees have been removed and will not be imposed on existing projects approved by the Planning Department. All efforts are being made to re-evaluate alternative revenue sources.

"The talks were carried out in an orderly and constructive way and we believe that the agreement reached is both reasonable and in the best interests of the Cayman Islands and its people.

"Dated this 21st Day of March, 1997, signed by a representative on behalf of the Council of Associations and by the Leader of Government Business on behalf of the Government."

I should mention for the benefit of Members that a new schedule will be circulated which will reflect the agreed changes. This gives the most up-to-date position. As Members would have noticed, there is to be no reference in the schedule to the section dealing with impact fees.

In order to properly reflect these amendments the Legal Department is presently preparing an amending motion which will show the various amendments to be made to the Bill presently being debated.

I would just like to say that I am thankful to you, Mr. Speaker, for allowing the Government to introduce this Motion, and to thank Members for their patience.

I think that the community can now feel at ease as the issues causing some agitation and concern have been addressed. As usual, the Government—being responsive and receptive to the ideas advanced by the community at large—took the time out to consider these carefully and to take them on board; hence, this substitute motion.

As Financial Secretary I would like to thank the Ministers of Government and also the members of the Association for the time taken in order to come to an amicable solution.

I apologise for overlooking the other Members of the Legislative Assembly who participated in this discussion. They all did. Their contribution helped to achieve this amicable solution.

The Speaker: The question is Government Motion No. 4/97. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: GOVERNMENT MOTION NO. 4/97 PASSED.

The Speaker: Maybe this would be a convenient time to take the luncheon suspension.

Proceedings are suspended until 3.30 PM

PROCEEDINGS SUSPENDED AT 2.01 PM**PROCEEDINGS RESUMED AT 3.38 PM**

The Speaker: Please be seated.

The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: Out of an abundance of caution, I think we should defer the questions on the Order Paper. I do not believe this has been done, so I move that the questions on the Order Paper, be deferred until the next sitting.

**DEFERMENT OF
QUESTIONS ON THE ORDER PAPER
Standing Order 23(5)**

The Speaker: The question is that the questions on the Order Paper, be deferred until the next sitting.

I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. QUESTIONS ON THE ORDER PAPER BE DEFERRED UNTIL THE NEXT SITTING.

The Speaker: Government Business, Bills. Continuation of the Second Reading Debate on The Miscellaneous Provisions (Fees and Duties) (Temporary) Bill, 1997.

The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture, continuing.

GOVERNMENT BUSINESS**BILLS****SECOND READING****THE MISCELLANEOUS PROVISIONS (FEES AND DUTIES) (TEMPORARY) BILL, 1997**

(Continuation of debate thereon)

(3.39 PM)

Hon. W. McKeeva Bush: When we adjourned the debate on the revenue measures before the House, I said

at that time that we hoped to conclude discussions with the private sector as early as possible. I am relieved to be able to say that negotiations have taken place and there has been fruitful discussion. While everybody might not be happy, I believe that the people with the gripe on the Council of Associations are, indeed, happy.

Many times we hear that democracy is not alive, and that this is not a democratic country. But in what country in the world today can the public raise its voice about a matter and have the Government not only take the time to stop and listen, but take action that all can live with? I say that I do not believe such a country exists except for the Cayman Islands. While many use that word 'democracy' a lot, the truth is that democracy is alive and well in the Cayman Islands.

I think I can refer to the fact that I am being criticised (and I am dealing personally here) for the action taken on Wednesday. But as a politician I have never been one to bury my head in the sand. I am always prepared to listen, and when alternatives that are in the best interests of the country are given, then I have always been prepared to go along with that action. That is where I stood last Wednesday morning, and I am glad that my colleagues were able to take that position with me.

I did not agree with many of the things that were said, but I believe that I covered quite a bit of it between Monday and Wednesday. I do not have to get back into that.

The Council of Associations and others met with us on Wednesday, and a decision was taken to work with them in several areas. They wanted disinfectants, insecticides, etc., to be duty free, as they currently are. We know that a lot of the hotels and condos buy them overseas. Some buy here, but far too many do not give the business to local business people importing these things for local distribution. Since our people would not get benefit to any great extent, the rate remains the same.

The other change was leather goods which were duty free. We had proposed 10%. It is still all duty free. Personally, I did not agree with that. I felt that we could charge some percentage. I do not know what their mark-up on that one is, but I do know that leather goods are very costly. But this is a democracy and the majority must rule.

They asked that we come down on shellfish, shrimp, etc., and we agreed after hearing different explanations. They wanted it duty free, we came down to 10%. That was a major item.

Another area of contention was cement. We have not increased anything on that.

I know that I have been speaking for a long time, but I still have the right to continue. I will not go through all of the items because I prefer to leave some of the matters to other speakers.

There are some areas that I do not personally agree with, but consensus rules because this is a democracy. While we had gone up too high on the importation of liquor, after they showed us their point of view, we went back to the old position. As I understand, there is no in-

crease on liquor. I thought that we could have had a small increase, but, again, the majority ruled here.

As I said, I am not happy about everything that has happened, but that is why we suspended and held discussions. The majority rules, as I said. This is a democracy. I believe that in the end the country is best served this way.

As far as the general public is concerned, we are not going to please everybody. What we have said—and it has been said quite a bit—is that the impact upon those who are least able to afford it should be less. They are the ones who should get the benefit. I hope that is what will happen. That is what we set out to do, and I hope that is what will happen after this exercise.

One matter that I would like to draw reference to is my suggestion for an Economic Council. It seems that the Department of Finance has received calls from people making all sort of accusation. This is not the first time this has happened. People will try to stir things up and cause unnecessary strife. So that is not new to me. But I would like to get one matter straight. When I was referring to the need for an Economic Council—which I hold to—I said nothing about the Finance Department. I was simply referring to the budget process, and said that the time frame in which we do the budget does not lend itself to getting all of the necessary information which might lead to the deep analysis we require. I make no apologies about that. But to say that an aspersion was cast on the Finance Department is a bunch of nonsense. I hope that no one takes it otherwise.

I hold that an Economic Council at this time in this day and age would be good for this country. It would give us the chance we would not normally have in the budget process, to have discussion with the private sector groups. We did not raise any fees in the past four years of our administration. This has been a learning exercise as far as I am concerned.

The public definitely wants to have a say. I do not agree with what Mr. Miller and Mr. Benson Ebanks used to say, "The public can have its say, but the Government will have its way." That is not my style of governance. We must listen. We must avoid confrontation because it does the country no good. An Economic Council would prevent our getting into that kind of trouble.

We could get all kinds of ideas on certain things. For instance, we have been hearing about bonds. I do not know a lot about bonds, but if we had a chance we could learn. I don't know if anybody in Government knows anything about it. Maybe they do. Certainly, those kinds of ideas could flow from an Economic Council. Other revenue-raising ideas could come forth. I believe strongly in having an Economic Council, and I don't mind saying that I have already said to the Governor that it must be set up, and set up quickly. It must be as bipartisan as possible, as far as I am concerned. I will hold to that.

I have had enough say on these matters. To recap: I have no regret over stopping the debate on the measures the other day. I think that nothing but good has come out of it. I do not agree with everything that has been done,

but I believe the Cayman Islands are more at rest today because of that action.

The Speaker: The Honourable Minister for Education Aviation and Planning.

(3.54 PM)

Hon. Truman M. Bodden: Thank you, Mr. Speaker.

I am very happy to also endorse the joint press release dealing with the agreement between the Council of Associations, the Government, and the National Team Members who participated, and to say (as the Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture has said) that it was a very clear demonstration of democracy in operation. We were prepared to sit down, and there was give-and-take on both sides.

As the release states, negotiations were carried out in a very orderly and constructive way, and both parties agreed that the agreement is both reasonable and in the best interest of the Cayman Islands.

I would like to thank you, Mr. Speaker, for your tolerance in giving us time during this period. I think it has been very fruitful. What the Government is now going forward with after the negotiations is what we believe is in the best interests of the people. The measures are still geared to avoid direct impact in areas where the ordinary citizen of Cayman would be affected. There are some specific areas that I would like to deal with that have been of specific benefit to young people and Caymanians generally.

The areas where new revenue measures have been introduced have to be looked at against what is gained. I will deal with the many projects in the Budget because I believe that the public has to see something in return for its money and it has to be money that is well spent and fully accounted for.

We have retained in the revenue package the removal of the 7.5% land transfer duty on Caymanian first, owner-occupied homes and condos up to a value of \$125,000; and the removal of the 7.5% stamp duty on land for such homes up to a value of \$25,000. There are no increases on mortgages and charges of land under \$300,000. We have also retained the abolition of fees for boats under 18 feet, and this is bound to help fishermen and people who make a living from their boats.

[We retained] the removal of plumbing and electrical fees on houses under 1,500 square feet, and apartments under 600 square feet. There is an increased duty free allowance up to \$350 for returning residents. So it has been increased \$50 even though there is a \$2 increase on the fee when a resident, or anyone, leaves the island by plane. That far more than off-sets that.

We have removed import duty on flavoured milk, including baby milk, yoghurt, ice-cream, cereal and cereal preparations, tea, tea concentrates. We have also added to this cocoa and chocolate beverages (I believe that is the way it was defined).

We have removed the import duty on vehicles used to transport physically challenged persons. For a long

time, they had to bear the expense and burden of these duties, but I think it is humane and in the interest of the public that these vehicles have import duty removed. We have also removed bicycle tax and dog licence fees, which were very small fees. I understand that numbered dog licences will be retained.

There have been changes in the package as mentioned earlier. Some things have moved up (very few) over what was originally put out. Many of them have decreased. The new areas that have been added relate to cruise ship passengers—an extra \$2 to the \$2 recommended by the Council of Associations. While that will not really assist us very much this year, if at all, it will be a substantial fee that will come to Government in the future.

Government has stated that the many areas relating to schools and to the hospital—the very new, modern and efficient hospital—and to district clinics (because I think one's health is the most important earthly thing one can have), are ongoing. While the Loan Bill was going to be small this year (some \$8.5 million), that will have to be increased somewhat (not very much, I hope) once the impact of the amendments that resulted from the negotiations have been taken into account.

In relation to the motor vehicles, no import duty has been increased. It is still 27.5% for cars under CI \$20,000 c.i.f. (in other words, the landed cost). Only if they are over CI \$20,000 landed, and between \$20,000 and \$25,000 there is an extra 2.5%. It is graduated as it goes up.

While on this, Mr. Speaker, I would like to dispel a rumour that is going around. The present motor car I have is 12 years old. I bought it second hand. I did purchase a vehicle many weeks ago. It came into the island about two weeks ago. But I gave a clear undertaking to His Excellency the Governor, the Honourable Financial Secretary, and my colleagues, that if the import duty which this House ultimately passes would have imposed a higher import duty on that car (and it is a 1995 second-hand car with 45,000 miles), then I will pay the increased import duty. I am not legally obligated to pay it, but I am too old to have fallen into a trap of that sort.

I gave an undertaking some time ago—before the car actually came to the island, and in the very early stages of this—that if my car would have attracted increased import duty, and if it came in after this Bill went through, that I would pay Government the increased value. I make that abundantly clear. I have no qualms with that, because while I legally do not have to pay it, I am very happy (morally) to pay Government any extra duty that would have accrued on it, had it come in, say, in another two or three weeks.

I believe that the public knows I have tried to deal with the public's funds the way in which I deal with my own. I am very careful with my spending. I only spend when it is absolutely necessary. I guess my driving the same car (which is a 1985) for the past 12 years is a good indication—really, if Government followed my example and bought some second-hand vehicles, it could probably have 30% to 40% more vehicles than by buying

new ones. I have nothing against buying new vehicles, but I just point out that sometimes one has to do what is economically feasible, and with Government we have always tried to do this. I must say that in the past few years Government has purchased several vehicles second hand.

So, what has been added in the area of import duty is really for cars that, when landed, will exceed \$20,000. That is a fairly expensive car. I do not believe that this is going to impact on the ordinary, normally income bracket Caymanian family.

The Bill will go into the Committee stage. I believe that when Members see the amendments to the Bill (of which a schedule representing what those amendments are will be circulated sometime soon, if it has not already been) they will see, for instance, in relation to garbage fees, that there is no increase for private houses and apartments. That remains at \$50. But there has been a removal of any fee in relation to the removal of dead animals and also the removal of derelict cars because this will assist in cleaning up the island. Whereas, with a fee ranging from \$25 to \$60 for the removal of dead animals... many times they were just left there.

I believe a lot of thought went into this from both the Committee negotiating this with us, and ourselves. I should say, Mr. Speaker, that I would especially like to thank Mrs. Gailya Hall who did the majority of the speaking on behalf of the Association's members, of which there were about 25 or 30 in on the talks.

While there has been some increase on the Law School fees, there has been none since about 1986. There has been no increase—and never has been any increase put out by Government—in relation to Trade and Business Licences or work permit fees. That is another rumour (like the one about the car) put out by people who are mischievous. Work permit fees and Trade and Business Licences remain the same as they were. The increase that refers to work permits is under a category headed 'Grant of Permanent Residence', so everything that falls under that relates to permanent residence and the work permit fees the person has in that category. But there has been no increase in work permit fees. This is a payment for permanent residence. It is a \$400 fee (for permanent residence for those with Caymanian connections) that is scaled upwards depending upon the category if the person does not have Caymanian connections.

The application for the grant or renewal, and the processing part of this, reflects slight increases, but the fees set out in this—which have, unfortunately, been mistaken for increase in work permit fees—relate to permanent residence only. There are three categories of permanent residence. I can see that if one read a line without reading the heading that it may have created that impression.

There has been very little change in relation to Item 1 of the schedule dealing with Motor Vehicles except to remove the category for vehicles with over 2400 cc engines.

I believe that the revenue package that is here now has come at a time when we are in the middle of an economic boom. This differs very considerably from the revenue packages brought in 1990 and 1991 which were brought when there was one of the most serious economic recessions in the islands. That had some very drastic increases put through—I should say without any negotiation or dialogue with the public. I am not going to dwell on it, only to say that in both 1990 and 1991 the increases ranged, for example on diesel, from 13% to 25 cents in 1990, which then doubled in 1991 to 50 cents. Increased revenue went on all liquor, all cigarettes, all beer—in both years. One after the other, tobacco products and gasoline went up. In fact, it doubled! We had this at a time when the country was in an economic recession.

On this point I would just like to add something that I will deal with in depth during my debate on the Throne Speech. In only two years in this country's history—1990 and 1992—this country actually had a deficit on its recurrent account. In other words, the recurrent revenue was not sufficient to pay for recurrent expenditure which is mainly salaries and repayment of debt, etcetera. Notwithstanding the economic recession and the bad condition of the country, the very heavy import duties and taxes added did not sufficiently clear the deficit that existed the year before and it created a deficit in that year as well. It was not a lot, but it is the only time that there was no contribution to the capital account of Government from the recurrent revenue of the country. This year we have some \$23 million surplus on the recurrent account.

Just for the sake of clarity, quite a bit was said about what is deficit budgeting. In my view, deficit budgeting is when the difference between your recurrent revenue and your recurrent expenditure produces a deficit. In other words, what would be a true profit and loss produces a loss. We are far from that, and we are not in the position we were in 1990 and 1992.

Beyond that, I know that time has moved on. I would like to finish by merely mentioning, again, that I am very pleased to know that an agreement has been reached on this important matter of revenue measures. Once again, I wish to thank Members of this Honourable House and you, Mr. Speaker, for your patience. I believe that the time has been well spent and we are now going to move forward with revenue measures which are acceptable to the public as a whole.

I support this Bill. When it reaches the Committee stage there will be the amendments made. An amendment to that effect will be circulated in due course.

Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? The First Elected Member for Cayman Brac and Little Cayman.

(4.19 PM)

Mrs. Julianna O'Connor-Connolly: Thank you, Mr. Speaker.

I rise to make my contribution to the debate relating to the proposed revenue measures this afternoon. In my respectful opinion, we have once again seen the amalgamation of special interest groups, with popular opinion emanating therefrom, with a view to attempting to reform the public policy of the Government of the day. I am not against this unification, per se, as long as the people who elected us are not organised, and as long as they face the Government as separate, unrelated, individuals, the chance of successful opposition to specific Government policies is, to say the least, minimal.

Having made this observation, let me also hasten to say that the formation of intelligent popular opinion also requires a steady flow of reliable information from many independent sources—a free press and other mass media—being responsible to the public in order to create an environment for responsible Government.

I have had my ear to the ground, as it were, and there appears to be a lot of misinformation disseminated for various subjective reasons. As a representative of the people—and, more significantly, as a Caymanian—I would implore all and sundry to think twice before speaking or acting, as the Cayman Islands of today has reached a level in its development where we have much of the world as our audience. We have waited a long time and paid a dear price to be where we are today.

Government's world wide have to seek means of raising revenue in order to run their countries. This Government is no different. Being a freshman in this Honourable House, the last thing I wanted to be debating is revenue measures. Not only is this a controversial issue, but if not handled correctly it can be political suicide. I stand in a most precarious position in that my constituents on the islands of Cayman Brac and Little Cayman are still in the process of shaking off the economic quicksand which has beset them since the early 1980s.

Today I can truly relate to Queen Esther of old. By way of explanation, I will briefly refresh our memories. Her uncle, Mordecai, commanded her not to think that she would escape the treatment being meted out to her people merely because she was resident in the King's house. He proceeded to tell Queen Esther that if she held her peace at that particular time there would be no deliverance for the Jews from elsewhere, and that she would not escape. He further challenged her that she was specially placed in the King's palace for a time such as this. Consequently, Queen Esther made her choice unilaterally to represent and defend her people. She decided to mitigate on behalf of her people and to plead their cause—being fully cognisant that if she perished, they too perished.

I feel likewise today. Although I believe in the concept that if the people are desirous of having various services, they must also appreciate the fact that they must be paid for, let me make it abundantly clear that I do not subscribe to 'Robin Hood' economics, nor do I believe in manipulation of the poor or the ordinary working man or woman. With any revenue measures there must be a balance in order to ensure the economic and social stability.

Further, the Government as well as the people must be aware of circumstances of *novus actus interveniens*, which in my respectful opinion should alter the case. In May of last year, Executive Council took a very wise decision to commence the economic restoration of Cayman Brac, in particular. I believe that His Excellency, Mr. John Owen, hit the nail on the head when he recognised the neighbourhood principle and stated that the three islands making up the Cayman Islands are, indeed, a family. If a family member is hurting, it is only natural to immediately run to that member's assistance.

To further illustrate that point, Mr. Speaker, it is natural that if one sustains a cut, the immediate reaction is to try to stop the bleeding, not to make the wound bigger. I therefore submit that the same principle must apply to my constituents, and I urge the Government to concur.

We have already taken judicial notice that the Brac, in particular, is in need of economic and other assistance from its bigger and more prosperous big sister, Grand Cayman. The Honourable Third Official Member and his able staff have, in my opinion, been quite instrumental in endeavouring to steer the good economic ship Cayman Brac back to economic recovery.

Last year, excellent economic measures were introduced to the Brac with the implementation date being 1st July. As a result of these efforts, we on the Brac have at long last begun to see some degree of development. There has been an increase across the broad spectrum.

I believe that the distinguishing feature mentioned yesterday in respect of Cayman Brac and Little Cayman is the fact that we are indeed separated by some 90 miles of Caribbean sea, and do not have the option of jumping into a motor car and going to another district in order to reap the benefits here in Grand Cayman. I am therefore of the opinion that having these proposed revenue measures now applied to the Brac, in particular, would have a negative effect on our economy. It would certainly thwart Government's terrific economic incentives put in place some eight months ago.

On behalf of my constituents, I therefore beg that Government give careful consideration to my request. Should they wish to entertain an element of compromise, then might I suggest the Brac be exempt from these proposed revenue measures for a specified time? At the expiration of such a time, the economic situation can then be reviewed and a decision taken at that time.

The records show that although the import duty on building supplies on the Brac was waived in July last year, the aggregate annual intake of duties for Cayman Brac has not decreased, but has in fact (generally speaking) increased. The *Caymanian Compass* dated 24th May, 1996, included an article relating to duty fee reductions in the Budget in the Bahamas which occurred at about the same time the economic incentives were introduced for Cayman Brac. Permit me to read what transpired in that country:

"Bahamas Finance Minister, Bill Allen, announced major reductions in the import duty on construction material, electronic equipment and household appliances in a US \$724.4 million Budget for

their new fiscal year. Allen said that by reducing the duty on building materials they were bringing down the price of everything. Fifteen percent duty on cement and nails was eliminated; the duty on sheet rock, roofing tiles, was reduced from 30% to 15%; the duty on plywood was cut from 25% to 15%; and in an effort to encourage computer literacy, the Bahamian Government cut import duty across the board because it was expected to have a beneficial social and cultural impact. In addition, 24% duty on spectacles and contact lenses was also eliminated."

So, we will see that the request I am airing in this Honourable House today is not an innovative one, but has been tried in other Commonwealth Parliaments—and has, I daresay, been successful.

If these general proposed taxes are made applicable, to the Brac in particular, it is my respectful view that all that will happen as a consequence is that the Government's Social Services Department and the Ministry responsible will once again be called upon to subsidise the people of Cayman Brac. We are a proud people who, I further submit, would never want to structure the foundation of our economic recovery on future Government handouts. We would rather not receive a fish for the day, but would rather have the lesson on how to fish.

I trust that the brief but profound submissions I have tried to make on behalf of my constituents will fall on receptive ears. I feel confident that the same element of generosity, compassion and concern which the Government of the day showed in May of last year will once again become a reality, and that the Government will use this as a necessary catalyst in respect of my electoral district. Again, I stress that Cayman Brac be exempted from the proposed new revenue measures.

Before I take my seat, I add that I sincerely pray for the guidance of Almighty God as the Government makes room and gives due consideration for what, in my humble opinion, is a most reasonable request for my constituents.

The Speaker: We have now reached the hour of 4.30. I will entertain a motion for the adjournment.

The Honourable Minister for Education Aviation and Planning.

ADJOURNMENT

Hon. Truman M. Bodden: Mr. Speaker, I believe that possibly all Members have spoken, and I am wondering if we could just complete this part of the debate and then on Monday— Oh, there is one Member left to speak? Two Members? I'm sorry. I will put the motion that we do now adjourn until Monday morning at 10 o'clock.

The Speaker: The question is that the House do now adjourn until Monday morning at 10 o'clock. I shall put the question. Those in favour please say Aye... Those against No.

AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned.

**AT 4.33 PM THE HOUSE STOOD ADJOURNED UNTIL
10.00 AM, MONDAY, 24TH MARCH, 1997.**

**EDITED
MONDAY
24TH MARCH, 1997
10.19 AM**

The Speaker: I will ask the Honourable Minister for Tourism, Commerce and Transport to say prayers.

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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed.

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

APOLOGIES

The Speaker: I have received apologies for absence from the Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture, and from the Second Elected Member for Bodden Town who will be arriving late this morning.

Questions to Honourable Members/Ministers. Question No. 33, standing in the name of the Third Elected Member for Bodden Town.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

**DEFERMENT OF QUESTION NO. 33
Standing Order 23(5)**

Hon. Truman M. Bodden: Mr. Speaker, I am ready on the other two questions, I am not fully ready on this one, and I ask that the answer to Question No. 33 be deferred until Wednesday, 3rd April, 1997.

The Speaker: If there are no objections, we will go on to question No. 34, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 34

No. 34: Mr. Roy Bodden asked the Honourable Minister for Education, Aviation and Planning when the Education Development Plan (1995-1999) will be tabled in the Legislative Assembly.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The Education Development Plan (1995 -1999) was tabled in the Legislative Assembly in March 1995 when the Member asking the question was a Member. I am astounded that the Member does not remember such an important matter that happened just two years ago and takes up the time of this Honourable House to ask a question to which he knows the answer.

Since the Education Development Plan has already been tabled, I do not have to table the Plan.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Will the Minister categorically state that what was tabled was the plan, or was it rather an extrapolation from the plan of strategies arrived at by those persons on the Strategic Planning Exercise?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: To the best of my knowledge, it was the plan. If the Honourable Member is asking about the 'Action Plans' that come under that, the answer is, no, they were not tabled with it.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: The Action Plans are exactly what I am enquiring about, as it seems to me that they are of significant importance.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Those contain several hundred pages of details. What has been acted upon is updated and altered as the action teams go into operation on them. I will consider what the Member has raised, but I am not too sure how practical it may be. For example, costing on those are updated and altered as they move on. The actual periods of implementation would be noted. I think 84 are now beginning implementation.

What I plan to do is to deal with tabling the results of that in due course. For example, when the national curriculum is completed, I will table it. But I think the results of the major ones could be tabled, depending upon the length of them.

The Speaker: Before I go to the next question, I would like to put the question on the deferment of Question No. 33. I shall put the question that under Standing Order 23(5) question No. 33 be deferred until a later sitting. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. QUESTION NO. 33 DEFERRED UNTIL A LATER SITTING.

The Speaker: Question No. 35, standing in the name of the First Elected Member for George Town.

QUESTION NO. 35

No. 35: Mr. D. Kurt Tibbetts asked the Honourable Minister for Education, Aviation and Planning to give an update on the 'A' level programme of study since it was transferred from the John Gray High School to the Community College of the Cayman Islands.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The first intake of 'A' level students at the Community College was in 1994. These students opted for the following subjects (the bracketed figures indicate the enrollment for the subject):

Accounting (4)	English (5)
Art (4)	Geography (7)
Biology (2)	History (10)
Chemistry (5)	Mathematics (13)
Computing (15)	Physics (10)
Economics (9)	Spanish (3)

Thirty-three students (including a part-time student) were enrolled in this programme. As we are aware, the level of achievement of these students, both in quality and quantity, exceeded that of any previous year in the history of 'A' level offerings in the Cayman Islands. Twenty of the full-time students were Caymanians. The breakdown on what they are currently doing is as follows: U.K. University, working (2); American University (12); Local Institutions (2); Working (4).

In 1995 there was a nil intake of 'A' level students because of the raising of the school leaving age by this Honourable House. In 1996 the college began to offer associate degrees and the board decided to offer the following subjects at 'A' level: Chemistry, Economics, Geography, History, Mathematics, Physics.

Four students, 3 full-time and 1 part-time, are currently enrolled in the 'A' level programme (3 Caymanians and 1 non-Caymanian).

Enrollment by subject are as follows: Chemistry (2), Economics (2), History (1), Mathematics (3).

Associate Degree Enrollment:

Major	Total	Full time	Part-time
Accounting (AA)	16	7	9
Accounting (AAS)	15		15
Business Administration	23	11	12
Computer Science	9	8	1
Hospitality Management	7	3	4
Literary Studies	2	1	1
Physical Science	10	9	1
Secretarial Studies	2		2
Totals:	84	39	45

In 1997 the college will again offer Chemistry, Economics, History, Geography, Mathematics and Physics 'A' levels.

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Would the Honourable Minister explain the benefits of the associate degree programme as compared to the 'A' level programme?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The 'A' level, as the Honourable Member knows, is an external examination based on the United Kingdom education system. If the Member will look at my answer, at the top of the second page he will see that out of the 20 full-time students, 12 went to Ameri-

can universities, and only two to the United Kingdom. Those going to the United Kingdom need 'A' levels.,

Those going to the United States get an associate of arts degree. In those colleges where there has been an articulation agreement and accept the Community College exams, students get credit for those two years and would therefore be able to complete a bachelor's degree in a further two years.

So, the advantage of the associate degree is that the vast majority of our students go to American universities and they receive credit for the two years. That is not to say that if they did 'A' levels they would not also receive credits, but the associate of arts degree normally carries more subjects than the two or three 'A' levels taken at any one time.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Could the Honourable Minister go on to explain how many universities in the United States accept the associate's programme? Are the students limited to two or three of the universities?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddan: Presently there is an articulation agreement which means there is a definite acceptance of the associate of arts degree by the University of Tampa only. That does not mean that other universities will not accept some or all of the credits; as some universities accept 'A' levels, some do not. Talks continue with other colleges in the United Kingdom and the Caribbean. When there is a firm agreement, we know exactly what is and what is not accepted.

I should just point out that the associate degrees are at their very early stages. We chose to go with the University of Tampa because at the time it had the largest amount of students. There were 29 registered at the University of Tampa. So, I would say to you that that University takes the most and we do have an articulation agreement.

As time goes on, and it does take time because we look at all of the courses, and as other universities accept, then it becomes easier to get the articulation agreement with other universities and colleges both here and in the United Kingdom. In fact, we are well along with one in the United Kingdom and also with the University of the West Indies (UWI).

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister state if there were many enquiries by students who were more interested in doing the 'A' level programme who then reverted to the associate programme? Or, is it obvious from the students' demands that the associate programme is the preferred one?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddan: While I cannot honestly give a reply to that question because I do not know, all I can say (and I am not supposed to give opinions in here) is that it would appear that those students who opted for the associate degrees are probably going to US universities. Those students taking 'A' levels are probably going to the United Kingdom or UWI.

We are now well along in talks with the UWI.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Out of the total of 84 enrolled in the Associate Degree programme at present, can the Minister state how many of these are school leavers as compared to others who have taken up the programme but who are not directly just out of school?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddan: I cannot honestly give the Member that answer. I can get the information and send it to him.

The Speaker: The Third Elected Member for Boddan Town.

Mr. Roy Boddan: Can the Honourable Minister say what the minimum number of students is for an 'A' level class in order to make it economically feasible?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddan: That is an opinion. All I can say is that for the last 20-odd years it has probably been four. The Community College, upon my request, has actually allowed 'A' levels even when there are only one, two or three in a class. We did this, as that Member knows, because there was a lot of political pressure over these four students not being able to take the 'A' levels.

If the question is whether or not it is economically feasible, I doubt if it is. In fact, I doubt if four per subject was. But it does assist these students and they are entitled to the opportunity. I am happy that both the Community College and my Ministry have bent over backwards to assist these students to get their 'A' levels.

The Speaker: The Third Elected Member for Boddan Town.

Mr. Roy Boddan: Can the Minister say if the articulation agreement with the UWI will cover students wishing to enter the faculty of medicine, or will those students wishing to enter medicine still have to pursue studies in chemistry,

physics and the natural sciences as well as mathematics at the advanced level?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I really cannot say what the outcome will be. It would be good if this could be covered. I think the Cayman Islands has shown that it can produce extremely high quality, well qualified lawyers through to full qualification. I believe that Cayman has the ability in its associate programmes to get a sufficiently high level to permit them to go on to study medicine. After all, it is probably only two years out of the first degree and then they do a second degree as you, Mr. Speaker, well know, having studied in that profession earlier.

What the results will be, I do not know. All I can say is that the universities jealously guard their right of entry. It has really only been in recent years that we have seen a movement such as this where there is some flexibility to accept subjects taken in other areas.

The Speaker: If there are no further supplementaries, the next question is No. 36, standing in the name of the First Elected Member for George Town.

QUESTION NO. 36

No. 36: Mr. D. Kurt Tibbetts asked the Honourable Minister for Agriculture, Environment, Communications and Works whether Government is considering erecting a facility for the fishermen in George Town who sell their fish on the iron shore in front of the Tower Building, similar to the one provided for the fishermen in West Bay.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Upon an earlier request from the Honourable Minister for Education, Aviation and Planning and Mrs. Murphy, this matter is being now checked into.

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: As I would not have known about that request, I have raised the question on my own merit. Would the Honourable Minister be able to say at what stage the "checking into" is?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: As the Member is quite aware, property on the water front in George Town is not easily found. The present property mentioned happens to be privately owned. Government did, during 1981 or 1982, provide a similar facility that a subsequent Government actually changed and leased out to another company. Therefore, we are presently trying to see if we can work

something in on the same property, but the matter is under consideration.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: For purposes of clarity, is the Minister saying that negotiations are now taking place with the owners of the property mentioned in the question as to the possibility of erecting this facility there?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: No, I did not say that. I said that the matter was under investigation.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Minister state if this is one of the steps being considered?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I wonder if the Member would just repeat that question?

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Minister state if negotiating with the owners of the property mentioned in the question is one of the steps being considered?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: That will be a decision taken by Government.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Reading between the lines, am I to understand then that the Minister is saying that the first choice is for Government to identify either property already owned by Government or property which Government intends to purchase, before considering creating the facility on property which may be owned by private individuals who have allowed these people to operate for as long as we can remember?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I can think of areas that I have walked over for 47 years. That does not give me the right to own it. The problem is, with the setbacks in Planning in regard to the piece of property that the Member is referring to, that I do not think we would be able to erect anything. It

has been used for a long time, but it is still privately owned. This is the reason why Government needs to investigate the matter, and I will give him an answer in due course.

The Speaker: The Fourth Elected Member for George Town.

Mr. D. Kurt Tibbetts: The Honourable Minister will understand that I was not suggesting that because they used it, it gives them the right of ownership. I was simply asking the Minister if Government might consider negotiating with the owner who might be quite willing to give permission for the structure to be erected.

In regard to the situation with Planning and setbacks, if my memory serves me right, I believe that the other facility (and I am not quite sure, but it is possible) may have been considered a temporary structure, for that may not have met the setbacks either.

The Speaker: Please state that as a question.

Mr. D. Kurt Tibbetts: Mr. Speaker, it ended up not sounding like a question, and if the Minister does not care to continue that is fine; but I am sure he understood the question I was asking him.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Before I ask the question I would just like to state that it is not my intention to try to solicit from the Minister any type of answer he is not in a position to answer at this particular point, but it is important for us to bear in mind that Mrs. Berna Murphy is no longer a Member of the Legislative Assembly and that George Town has four elected Members that need to know what is going on in regards...

The Speaker: Would the Fourth Elected Member for George Town please turn that into a question? I cannot allow statements.

Dr. Frank McField: Yes, Mr. Speaker. I would like to ask the Honourable Minister if he could say whether or not his Ministry will be able to resolve this situation within a six month period or in a year?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I think I should respond to the Member's statement. As Minister responsible, I have a right to state the facts as they are. Indeed, the answer I have given to this question is correct: I did have requests from Mrs. Berna Murphy when she was a Member and from the Honourable Minister for Education, Aviation and Planning, who was also a Member at that time.

With regard to my Ministry completing this process in six months, the most I can say is that we will continue to investigate and see if it is possible to find a location. If a

location is identified, I will then ask the Legislative Assembly to give me funds to purchase the property and along with that, funds to construct the building.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Is the Minister categorically stating that there is no chance of their trying to negotiate with the owner of the property where the fishermen presently sell their fish?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: No, Mr. Speaker, I did not say that. What I said was that I believed that under the Planning Law, which the Member should know because he served on the Board, the set backs are not sufficient to construct a building such as he is requesting.

The Speaker: If there are no further supplementaries, the next question is No. 37, standing in the name of the First Elected Member for George Town.

QUESTION NO. 37

No. 37: Mr. D. Kurt Tibbetts asked the Honourable Minister for Agriculture, Environment, Communications and Works if there are any immediate or future plans for proper street lights to be installed in the major sub-divisions in George Town.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Presently, street lighting exists in all major, and most minor, sub-divisions on Grand Cayman.

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: The answer given states "Presently, street lighting exists in all major, and most minor, sub-divisions on Grand Cayman." I am assuming, from what I heard, that it includes George Town.

The question was if there are any immediate or future plans for proper street lights to be installed, namely, for there to be a sufficient quantity. The answer does not state that, so I am asking the Minister if he can answer that part of the question.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: All street lights that have been installed since I have placed the policy of street lighting in

Grand Cayman, have been proper. They range from 100 watt, 175 watt to 400 watt. Here in George Town, I would think that they have received a greater portion of what has been installed thus far. My figures show 350 100 watt, 150 175 watt, 431 400 watt. It is a known fact from police statistics that this has actually curbed crime in this district.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: So that the Minister will have no misunderstanding, on behalf of the people of George Town I express gratitude for what has been done. My question simply is, What else can be done to fill the existing void, because there is an existing void in certain areas. I am simply asking that question to the Minister for Agriculture, no one else.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Mr. Speaker, it seems as if the Member is saying that my lawyer who is sitting along side me should not advise me. Well, I would be a foolish client...

Mr. D. Kurt Tibbetts: I am saying that he must do that on his own time, Mr. Speaker, this is my time.

Hon. John B. McLean: Mr. Speaker, we have requests all over Grand Cayman for street lights. As that Member knows, he has actually placed requests with us that have been filled, but he must realise that we also have requests coming from every Member in here. I have a programme in place, and I am trying my best to fulfil it. If the Government wishes for me to do this overnight, just tell me how you want it done and I will try to make the arrangements. But we must remember that it is going to cost the country more. We are just trying to follow the programme.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I thank the Honourable Minister for his answer.

Again, so that he does not misunderstand my intentions, I appreciate the fact that the requests are coming from all over, and I am also part of that as I try to fulfil my responsibility as a representative. The question is based around reality. I understand that nothing will happen overnight. I am asking, after all of this exchange, if Government has the ability to do something about the void I am referring to over and above the requests that come in? In other words, the requests coming in are usually individual requests, but I am asking if Government is in a position to look at certain areas on a whole, rather than just fulfilling the individual requests that come in.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I will again draw the Member's attention to his district. One of the reasons the programme has been disrupted is because I have had to move the crew to work on special areas here in George Town, such as the hospital and the water front where we had a lot of problems with crime a few months ago. It is our intention to follow the programme as closely as we can. But, should there be an urgent request, especially in a drug or crime related area, I would be most happy to recommend that CUC put the men there to install the lights in that area.

We need to realise that it is not the Government that is actually installing the lights. The requests are made to my office and then passed on to CUC which utilises some of their staff (not all of their staff, only a certain group installs the lights), and it is my understanding that it is done at a special time. That is as much as I can say to the Member at this time.

The Speaker: The Elected Member for North Side.

Mrs. Edna M. Moyle: I wonder if the Honourable Minister would say whether requests for these street lights are done on a first come, first served basis, or is it the Government's policy to look at these areas to see which ones need lighting as a matter of priority?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I just made that point. If it is considered a priority, especially if it is related to crime or drugs, as I just said, they would be installed as a matter of priority.

The Speaker: If there are no further supplementaries, the next question is No. 38, standing in the name of the Third Elected Member for George Town.

DEFERMENT OF QUESTION NO. 38 Standing Order 23(5)

Mr. Linford A. Pierson: Mr. Speaker, I note that the Honourable Member to whom the question is directed is not present today. I do not know if he has asked anyone to answer this question. Otherwise, I would suggest that the question be deferred until a later Sitting.

The Speaker: Under Standing Order 23(5), I will put the question that question No. 38 be deferred. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. QUESTION NO. 38 DEFERRED UNTIL A LATER SITTING.

The Speaker: Question No. 39 is standing in the name of the Third Elected Member for George Town.

QUESTION NO. 39

No. 39: Mr. Linford A. Pierson: asked the Honourable Minister for Agriculture, Environment, Communications and Works what total amount of royalties/revenue have been received from Cable & Wireless (CI) Limited since the revised franchise came into effect, showing the annual payments made to Government and the formula used for calculating same.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

**DEFERMENT OF QUESTION NO. 39
Standing Order 23(5)**

Hon. John B. McLean: I have spoken to the Member and asked that this question be deferred until a later date in this Sitting.

The Speaker: Under Standing Order 23(5), I will put the question that question No. 39 be deferred. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

**AGREED. QUESTION NO. 39 DEFERRED UNTIL A
LATER SITTING.**

The Speaker: That concludes Question Time for this morning. Would Members prefer to take the morning break now, or proceed with Government Business? I am in your hands.

Mr. Roy Bodden: Mr. Speaker, I move that we take the suspension so that we may proceed with Government Business uninterrupted until the luncheon break.

The Speaker: Thank you. Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 11.01 AM

PROCEEDINGS RESUMED AT 12.02 PM

The Speaker: Please be seated. Government Business, Bills, continuation of the Second Reading Debate on the Miscellaneous Provisions (Fees and Duties) (Temporary) Bill, 1997.

Before we continue the debate, I wish to call to the attention of Honourable Members that the House is debating the Bill as presented in type form. The Schedule (amendments) will be introduced at Committee Stage. I ask Honourable Members to keep the debate on the Bill as presented in the written form.

The Honourable Minister for Tourism, Commerce and Transport.

**GOVERNMENT BUSINESS
BILLS
SECOND READING**

THE MISCELLANEOUS PROVISIONS (FEES AND DUTIES) (TEMPORARY) BILL, 1997

(Continuation of debate thereon)

Hon. Thomas C. Jefferson: Thank you, Mr. Speaker.

I rise to offer my contribution to a Bill for a Law to Increase Fees and Duties, which is presently before this Honourable House. This Bill touches on a number of areas in our economy—tourism and financial services, among others. Recalling what you said before I began to speak, I would just like to say that we have only two pillars of the economy for future and present generations to prosper from. I offer those as the tourism and financial industries.

We said on many occasions that whenever the public had a view, that we would undertake to listen. I believe that I am qualified to speak on raising additional revenue. I spent 21 years as a civil servant working in the financial industry, or as Financial Secretary (with Finance and Development now being the nomenclature of the Portfolio). I spent six years as the First Official Member of this Honourable House. I have been in some of the most influential positions of this country, so I need no further power to deal with revenue measures or any other item as we go forward.

On Sunday of last week, Members of the Hotel and Condo Association and the Restaurant Association called to say that they had some concern. Remembering that we told the public we would listen, I said let's meet at 8.30 on Monday morning. But I was not going to do it on my own because it affects the Honourable Financial Secretary. I asked him to be present, and he agreed. I am the Minister for Tourism, so I have every right to meet with anyone in the Tourism industry, I need no clearance for that at all.

We met on Monday morning and took their input. We agreed to meet again on Monday afternoon and took further input. The group had expanded to also include representation from the Merchant's Association and Watersports, among other organisations. I am also the Minister for Commerce, so I have every right to talk to any of them I may wish to talk to. I believe that with my background in dealing with revenue measures, budgets or anything else in this country, I have as good a knowledge as anyone past, present or maybe even future, about these matters.

The representation made was in three areas: liquor, annual fees for boats, and development impact fees. Those areas remained to the very end the principal areas of concern. Those meetings with private sector individuals were to hear their views and to allow them to register all of their concerns with the remit that we had no authority to say yes or no, but would have to return to the Government and make their representations known. That was the proc-

ess followed, and in all of my experience that is the correct process.

In all of my years, I have never seen any Minister, Executive Council Member or anybody else given the authority to go out and ask questions about whether or not an import duty which the Government wanted to put on was acceptable. And there is good reason for that. If you do (and we are all human beings) the possibility is there for that individual to leak the information, and for somebody to take advantage of the situation. We know the ability is there for anyone in the Cayman Islands to charter a plane and bring in cargo before the import duty is put in place, thus causing a substantial amount of the proposed revenue intake to be lost.

I make all of those remarks to clearly put forward the process that should be followed when dealing with revenue measures and the Budget. No one has any authority, specifically on items appearing on the import duty Schedule, to go out and ask whether a 2%, 5% or 10% increase is palatable to an individual company, or a car distributor, or the chap selling the liquor, or anybody else. Let us not have any doubt about whether Thomas Jefferson met with anybody on the importation duties on liquor or not. The answer is no, I did not. The answer is that I had no permission to do so, and the answer is that I have never done so in my life. So, if you want me to do it, you have to specifically give me the authority to do so.

The items mentioned in this Bill have created much concern. I believe a couple of scenarios can be made when we are dealing with the amounts in the Bill, whether it is the homeowner, or whether it is the garbage fees. For a person who owns his home, does not have a car, does not smoke, the question is: What is the increase in this Budget directly to him or her? I see no increase in the garbage fee to that household. I do see a number of duty free items, or items that were previously dutiable now becoming duty free. We heard about them before—flavoured milk, yoghurt, ice-cream, cereals and cereal preparations, vehicles to transport the handicapped not for commercial use, cocoa and drinking chocolate, tea and tea concentrates.

So in the scenario I have just painted, there is no increase to that particular household. In fact, if those in the household eat some kind of shellfish, whether it is lobster or something similar, the duty is reduced from 15% to 10%. We realise that there are several homes in that category.

There are also homes in another scenario: Let's take that same scenario and add a car to it. Well, if we add a car, where is the increase (if you own a car and you own a home)? An additional \$30 per annum for the vehicle registration. You take \$30 and divide it by 12 months and you get \$2.50. Personally, I do not think that is exorbitant. That car will also have to run on gasoline. When we originally put forward the cost of gasoline, we were increasing it by 25 cents. But, with representation from the lady Member for North Side, we agreed to reduce it to 15 cents.

Mr. D. Kurt Tibbetts: Mr. Speaker, on a point of clarification.

POINT OF CLARIFICATION

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I just heard the Honourable Minister refer to two items in the Bill. One was to do with shellfish and crustaceans, which he just said had been reduced to 10%. The Schedule in this Bill says that the recommended rate is an increase from 15% to 20%.

He also mentioned the gasoline tax, which in the Schedule is recommended at 25 cents more. He is now saying that it is less than that. It was my understanding that you said that the House was discussing the Schedule set out in the Bill—not the second Schedule which has been given to us. My understanding is that this would be at Committee Stage.

The Speaker: The First Elected Member for George Town is correct, Honourable Minister. I would appreciate it if you would not go into too much detail. I understand that you are covering a wide spectrum in your debate and I will allow that, but try not to deal with too many of the increases as that is a Committee Stage amendment.

Please continue.

Hon. Thomas C. Jefferson: Thank you, Mr. Speaker.

I agree with all that you have said, but I think it is important as we deal with this particular piece of legislation, that we have at least one or two scenarios to illustrate what passing this Bill will mean to the individual. What I was trying to do was to say that it was presented in a particular way, but, as a result of the representation that we listened to, this is the final position.

I am going to abide by your ruling and not go into great detail on every item. But if you will allow me, Mr. Speaker, gasoline is an item that at least one of us should say to the public as they listen to this debate what the present position is as regards this Bill coming before the House. I feel that if we do not do that we are going to end up with a very confused public as to what the increase is. That is the reason why I mentioned gasoline. Mr. Speaker, I beg you for a little more tolerance as I finish this item and move on.

I will not go over what I said about the lady Member for North Side, because that is factual. The present proposal which will come before the House in an amendment form will put the cost of gasoline with an increase of 15 cents rather than 25 cents. When we multiply this, assuming that the average car gas tank is 15 gallons, we are talking about an extra \$3.00 each time you fill up the tank. Most people, except for the districts of East End or North Side, fill the gas tank once per week. If we look at it along those lines, this increase adds \$156 a year to the individual who owns a home and a car.

You may ask: What is he getting for it? Well, he is getting improved roads—the Harquail bypass is going to be finished in 199, the Seven Mile Beach from the Governor's residence coming into town is going to be three

lanes in about six month's time with the middle lane being a turning lane.

Members would like to talk about what is before the House? It also talks about raising the duty on liquor. If we put all of these changes which are presently before the House through, then the cost is going to go up. The little fellow on the street—whom we are all trying to protect—would pay a much higher price for his drink, be it vodka or whiskey or something of that sort, including wine. But the amendment coming forward will clarify that too.

When this Bill was presented to this Honourable House, it was seeking to raise \$14 million in additional revenue. I quote this figure because some people on the street are talking about \$50 million. That is absolutely not correct. The correct figure is \$14 million. When you need to improve the quality of your hospital, you need money.

Dr. Frank McField: Mr. Speaker.

The Speaker: Excuse me, Honourable Minister, will you give way to the Fourth Elected Member for George Town?

Hon. Thomas C. Jefferson: Mr. Speaker, if he seeks clarification, I will sit down.

POINT OF CLARIFICATION

Dr. Frank McField: Mr. Speaker, I thank the Honourable Minister for giving way. I am having a bit of a problem with the proceeding as I am not sure what it is we are really discussing. I am not sure if we are debating the Bill as originally presented, or a Bill that has been amended.

I would just like to know what we are actually discussing.

The Speaker: From the Chair I will say, as I said when we started, that the House is discussing the Bill in its original form. The Honourable Minister has established a few scenarios to explain what position the Government took on the situation. The Honourable Minister has given the House his assurance that he will not deal with that in any depth, and I have given him the latitude to make a couple of scenarios which he has about completed.

Does that satisfy you?

Dr. Frank McField: Mr. Speaker, I am not completely satisfied since I believe that I, having debated the Bill already, am now being placed at a disadvantage, since my discussion related to the original Bill and not to the changes (amendments).

The Speaker: I understand what you are saying, and that is why I made the statement I did prior to starting the continuation of this debate. I understand your concern, but I also understand the executive position in which the Honourable Minister finds himself—it is his opportunity to explain not only as a representative for West Bay, but as a Minister of ExCo responsible for Tourism, Commerce and Transport. I have given him a certain amount of latitude which I feel is absolutely essential in order for the public to

understand it. I do ask him not to go too much further. Thank you.

Please continue Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Thank you, Mr. Speaker.

On page 9 the Bill talks about the increases to wines and dessert wines, and on page 10 it deals with spirits. It was that area I was referring to for the benefit of the Member who wanted clarification.

There are virtually very few items in here dealing with import duty. So the impact to the average Caymanian should be small from that point of view, provided he has his own car. If he does not, and he brings one in that is CI \$20,000 or less, he pays no additional duty, it remains as it is at present. So, for the average person there is very little in the import duty section that would cause a substantial increase, which seems to be the concern of some of the Members of this Honourable House.

I believe that the Bill which is presently before the House... maybe I should put it a different way. I have a deep fear that if we speak only on the Bill which is presently before the House, we are going to end up with a confused public because they are not going to know what the final position is in this country.

I am going to abide by the ruling and thank you for your tolerance. I must say that the debate I had in mind is going to be shortened, but I give fair notice that when the Budget Address debate comes around, my debate will be, with your permission, wide and ranging.

Mr. Speaker, I am going to close my debate in the hopes that we will finish this particular aspect of the exercise and then determine where to go from here.

The Speaker: Thank you, Honourable Minister. Before I call on the next speaker, I would like to thank you for abiding by my ruling. I would once again like to say that I am simply trying to establish an even playing field, giving benefit to those who have spoken previously to the Bill as originally presented. As you have so rightly said, the debate on Throne Speech and Budget Address will follow and every Honourable Member will have ample opportunity to express his opinion and to quote figures as presented. This is in no way an attempt to deprive anyone of his right but to simply establish an even playing field.

Does any other Member wish to speak? The Third Elected Member for George Town.

CLOSURE OF DEBATE Standing Order 38

Mr. Linford A. Pierson: In accordance with Standing Order 38 I move that the Question on the debate be now put, mainly in view of what has been mentioned by the previous speaker. It seems a waste of time for any Member to get up and now debate this if they are not able to refer to the amendments that have been made—especially in view of the publicity that has been given to this, as it has been printed in our local news media.

I agree with the Honourable Minister for Tourism, Commerce and Transport, and I suggest that the question now be put on this debate and that we then discuss any further matters relating to the amendments in Committee Stage.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: That being a motion, Mr. Speaker, I second that.

The Speaker: Before I put the question, I do not feel that we should deprive the minority who have not spoken from doing so if they desire. Does any other Member wish to speak to the Bill in the type written form?

(Pause) There being no other speaker, I shall put the question. Those in favour please say Aye...Those against No.

AYES and NO.

The Speaker: The Ayes have it.

Mr. D. Kurt Tibbetts: Can we have a division please?

The Speaker: Certainly.

Clerk:

DIVISION NO. 5/97

AYES: 12

Hon. James M. Ryan
 Hon. Thomas C. Jefferson
 Hon. George A. McCarthy
 Hon. Thomas C. Jefferson
 Hon. Truman M. Bodden
 Hon. Anthony Eden
 Mr. John D. Jefferson, Jr
 Mr. D. Kurt Tibbetts
 Mr. Linford A. Pierson
 Dr. Frank McField
 Miss Heather D. Bodden
 Mr. Roy Bodden

NOES: 1

Mrs. Edna Moyle

Abstentions: 1

Mrs. Julianna O'Connor-Connolly

Absent: 3

Hon. W. McKeever Bush
 Hon. John B. McLean
 Mr. D. Dalmain Ebanks

The Speaker: The result of the division is 12 Ayes, one No, one abstention and three absent. The Ayes have it.

AGREED BY MAJORITY: THAT THE QUESTION BE NOW PUT.

The Speaker: The question is that the Miscellaneous Provisions (Fees and Duties)(Temporary) Bill, 1997 be given a Second Reading.

I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. THE MISCELLANEOUS PROVISIONS (FEES AND DUTIES) (TEMPORARY) BILL, 1997, GIVEN A SECOND READING.

The Speaker: We are very close to the luncheon suspension time. Should we take the suspension, or go into Committee and then break?

Hon. Truman M. Bodden: I think that since we are just about five or ten minutes from lunch time, I think the Members would appreciate taking the suspension.

The Speaker: In that case proceedings are suspended until 2.15 PM

PROCEEDINGS SUSPENDED AT 12.43 PM

PROCEEDINGS RESUMED AT 2.28 PM

The Speaker: Please be seated. The House will go into Committee to consider, The Miscellaneous Provision (Fees and Duties) (Temporary) Bill, 1997.

**HOUSE IN COMMITTEE
(2.28 PM)**

COMMITTEE ON BILL

THE MISCELLANEOUS PROVISIONS (FEES AND DUTIES) (TEMPORARY) BILL, 1997

The Chairman: Please be seated. The House is in Committee to consider The Miscellaneous Provision (Fees and Duties) (Temporary) Bill, 1997. May I assume that as usual we authorise the Honourable Second Official Member to correct all minor printing errors and such the like in the Bill?

I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it. The Clerk will read the clauses.

Clerk: Clause 1. Short title and definition.

The Chairman: The question is that Clause 1 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSE 1 PASSED.

Clerk: Clause 2. Amendment of the Stamp Duty Law (1995 Revision).

The Chairman: We have notice of an amendment. Under Standing Order 52(2), I have given leave for amendments to this Bill to be moved without due notice. I call upon the Honourable Third Official Member to move the amendment to Clause 2.

Hon. George A. McCarthy: May I suggest that for expediency, and because of the extensive amount of amendments that will be made, and because the Schedule circulated to Members on Friday implemented all of the changes that are now set out in this notice of amendment being given now at Committee stage and clearly sets out what the amendments are, that we look at the Schedule in addition to the amendments so that it will be very clear to us what changes are being effected.

The way the amendments are now set out, although they are clear and would be to the lawyers, there are quite a few persons here who do not possess that type of legal acumen.

I wonder if Members would agree, since the Schedule implements the changes as set out in the amending motion, as such, we focus on the Schedule, so that when the various clauses are considered it could be taken that those clauses be accepted subject to the amendments as set out in the Schedule?

The Chairman: It appears to me, Honourable Member, that we are dealing with the Bill. I do not really understand how we are going to go clause by clause if we go to the Schedule. In any way we can expedite matters, I am perfectly willing to cooperate.

Hon. George A. McCarthy: I will then read the narrative in the amending motion and then for clarity we can cross reference the Schedule.

Therefore, in accordance with the provisions of Standing Order 52(2) I, the Honourable Third Official Member, give notice to move the following amendments to the Bill for a Law to increase Miscellaneous Fees and Duties: "(i) That Clause 2(c)(i) be deleted and the following included: "(i) by repealing subparagraph (a) (not including the proviso) and substituting the following - "(a) being a legal or equitable mortgage or charge of immovable property or debenture - (i) where the sum secured is \$300,000 or less - 1 per cent of the sum secured; or, (ii) where the sum secured is more than \$300,000 - 1.5 per cent of the sum secured;..."

The Bill as it now stands stated where the sum secured is greater than \$300,000 the rate of duty would have been 2%. That is being reduced to 1.5% with this amendment following, item 2: "(ii) That in Clause 2(c)(ii), the words '2 per cent' in subparagraph (aa) be deleted and the words '1.5 per cent' be substituted therefor." "(b) that

the following be inserted after paragraph (ab) "(ac) being a debenture 1.5% of the sum secured."

The Chairman: The question is that clause 2 be amended as presented.

If there is no debate, I shall put the question. Those in favour please say Aye...Those against No.

AYES.

Hon. Truman M. Bodden: Mr. Chairman, I wonder if we could just recommit that? I think there may have been... if I may just have a minute, please?

The Chairman: Certainly.

(pause)

Hon. Truman M. Bodden: Mr. Chairman, the latter part of what the Honourable Member said in that clause relating to debentures, actually, the 2(c)(ii) only reads as follows: "That in clause 2(c)(ii) the words '2 per cent' in subparagraph (aa) be deleted and the words '1.5 per cent' be substituted therefore." What followed was that the debenture had been included in the definition of 'mortgage.' There has just been a bit of a misunderstanding there.

If I may just repeat that, the clause would say, "That in clause 2(c)(ii) the words '2 per cent' in subparagraph (aa) be deleted and the words '1.5 per cent' be substituted therefore."

The Chairman: Is there any debate?

The Third Elected Member for George Town.

Mr. Linford A. Pierson: So, the recommended rate at present is 1.5% for debentures, mortgages up to \$300,000 are still 1% and over \$300,000 is 1.5%, and other mortgages are 1.5%? Is that the understanding?

The Chairman: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: That is correct, sir.

The Chairman: If there is no further debate, I shall put the question that clause 2 be amended. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AMENDMENTS TO CLAUSE 2 PASSED.

The Chairman: The question is that clause 2, as amended do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 2 AS AMENDED PASSED.

Clerk: Clause 3. Amendment of the Schedule to the Insurance Law (1995 Revision).

Clause 4. Amendment of the Companies Management Law (1995 Revision).

Hon. Truman M. Bodden: Mr. Chairman, are we now putting clauses 3 and 4? Clause 5 has an amendment to it. Would it be simpler to take the clauses that do not have any amendments, and then go to the amended ones?

The Chairman: The question is that clauses 3 and 4 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSES 3 AND 4 PASSED.

Clerk: Clause 5. Amendment of the Customs Tariff Law (1996 Revision).

The Chairman: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: I beg to move that Clause 5 be deleted and the following substituted "5.(1) The First Schedule of the Customs Tariff Law (1996 Revision) is amended by substituting the following code numbers and duties for the existing code numbers and duties -

Code Number	Duty
03.02	10%
04.03	Free
09.11	Free
09.21	Free
19.99	Free
24.01	\$35 per 1,000
24.02	100%
27.01	40 cents per gallon
38.01	15%
87.02 Motor Cars	
up to \$20,000	27.5% c.i.f.value
between \$20,000 and \$25,000	30% c.i.f. value
between \$25,001 and \$30,000	35% c.i.f. value
more than \$30,000 c.i.f. value	40%
87.05 Motor cycles	
up to 90 cc	30%
over 90cc	35%
87.11	25%
93.11 Ammunition	
(for farmers)	20%
(for others)	40%
Arms; parts and accessories	
(for farmers)	20%
(for others)	100%

(2) Code number 87.04 is amended by inserting the following after "special purpose vehicles"- "Vehicles to transport handicapped persons, not for commercial purposes - free".

(3) Code number 88.01 is amended by inserting the following: "All boats for local use, whether sailing from abroad under own power or not, and whether registered or not, but excluding ocean-going vessels in the Islands temporarily (subject to the discretion of the Collector of Customs acting in accordance with section 19 of the Customs Law 1990 -

under 18 feet	Free
between 18 and 35 feet	10%
over 35 feet	5%."

(4) The Second Schedule of the Customs Tariff Law is amended in paragraph 5 (a) by repealing the word 50 "in subparagraph (1)(b)(iii) and substituting "25"; and (b) by repealing the words "three hundred dollars" and substituting "three hundred and fifty dollars".

(5) The Second Schedule of the Customs Tariff Law is amended by repealing paragraph 15 and 20."

It may be easier if we now turn to the original Schedule and then we can look at these amendments within the context of the items as set out in that Schedule. It will give clarity to the details as set out in the amendment motion that I am now reading from.

The Chairman: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Mr. Chairman, I just wish to make an observation, and I appreciate what the Third Official Member has just said. Like it or not, there are some of us here who have no idea of any discussions and we only see these things when they come across our desks. I am very confused at this point in time. I do not have a legal brain, but I can understand it if it is put to me in a way that I can understand. The way it is going now—believe me, I have no idea what is going on.

I do not know how this situation is going to be resolved where we can sensibly address it. I am not suggesting that it cannot be, but the way we are going back and forth now, I personally am confused and I see various items—because we are dealing with two different issues here—that have gone without any discussion and people like me did not even realise that is what we were talking about until after the fact. I am telling you how I see it from where I sit at this point in time.

The Chairman: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I believe that I may assist on this. If the Member would look at item 12 of the Schedule which came out on Friday, he can then relate back to the code numbers here and see what they relate to. For example, the first one is 3.02. That relates to shellfish... per-

haps if you would tell me... it is hard to follow this without looking at what it is. Rather than bringing the full law before us, if we look at this Schedule we can see what this is.

The Chairman: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I understand what the Minister is saying. My point is that there are things which went forth before I understood how to pull each thing from the various documents. There was no change to that section from the original proposed change, it just went flying.

I am not asking to start over, I am asking that as we go from here on in, if there is anything to do with a change—because there have been so many changes—I want to understand it. So, I am asking that each item be referred to in a way in which we can understand.

The Chairman: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: If the Honourable Member looks at the Bill, and at the amendment, and then the present amendment to it he will see what it was before, and what it is now. I do not know if the House really is expecting every one of these to be looked at, because Members can look at them. If we go to the amending Bill, 3.02 was 20%. Here, 3.02 (which is shellfish) is 10%, a reduction of 10% from what was proposed. If you then wish to know what it was before, look at the Schedule and you will see that it was originally 15% on that item. So that item was originally 15%, it moved up to 20% and back down to 10%.

While it is detailed, it can be worked out on any item the Member wishes to raise.

The Chairman: I am in the hands of Honourable Members as to any suggestions.

The Third Elected Member for George Town.

Mr. Linford A. Pierson: I believe that the suggestion made earlier by the Honourable Third Official Member was a good one because it would have clarified this whole thing. What the Honourable Minister for Education, Aviation and Planning has said has also clarified it.

If, in going down these clauses, we take just one at a time, and then refer to the item on the Schedule, it would be much easier to follow instead of taking two or three clauses at one time. For instance, in clause 3 there are a few points that I would like to raise, notwithstanding the position that has already been taken with the Council of Associations.

With your permission, I would like to make reference to those.

The Chairman: Are you referring to something which we have already taken a question on?

Mr. Linford A. Pierson: No. We have just read down the list of the items in clause 3 and we were going to 4. We did not have a chance to make any comments on the items in

clause 3. The items in clause 3 have to do with import duties. I wish to make a comment on that with your permission.

Hon. Truman M. Bodden: Mr. Chairman, it appears that the Honourable Member is referring to clause 3 of the notice of Committee Stage Amendments which refers to clause 5 of the Bill. Is that correct?

Mr. Linford A. Pierson: Yes. I am referring to paragraph 3 which refers to clause 5.

The Chairman: That is what had me confused. You said clause 3, and I knew we had taken the question.

You may go ahead and ask your question.

Mr. Linford A. Pierson: I would like to preface my comments by congratulating the Members for the reductions that have been made, but to say that on item 24.01 which has to do with cigarettes (and I say this very cautiously because I have friends who smoke!), I would prefer to see the \$50 left on there per 1,000, and some more consideration given to the increase on motor cars since motor cars are really a necessity in these islands, not a luxury. Cigarettes cannot be put in the same category. I don't know if it is too late to do something to reduce the import duty on cars. I think the view is that people really do not have to buy cars over a certain price range, but that might be their choice. They should not be penalised for that.

I would like to suggest on item 87.02 dealing with cars over \$20,000 and up to \$30,000 that the recommended new rates be reduced by at least 2.5% on each category. Also, on item 27.01, which deals with the increase on gasoline, I notice that it has been increased by 10 cents, to 40 cents. If it is possible, I would like to see that further reduced to at least 35 cents.

The Chairman: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: I would like to express my support for the points raised by my colleague, the Third Elected Member for George Town. I think that it is reasonable and realistic to say that motor cars, particularly below the \$20,000, are certainly a necessity in this country. Any consideration given to these owners, as well as any consideration given to a reduction in the tax on gasoline would be appreciated. I would be happy to see it placed on cigarettes, notwithstanding that I have friends who smoke. I think that is their choice and smoking is certainly not as great a necessity as owning a car and being able to afford gasoline.

I would run the risk of earning some ire from my friends by saying that I would rather put it on their cigarettes and take it off motor cars and gasoline.

The Chairman: If I may say, I would have thought that with the time that has elapsed, a written amendment would have been presented for these requests.

Mr. D. Kurt Tibbetts: Excuse me, Mr. Chairman, I don't mean to be rude, but which elapsed time are we speaking about?

The Chairman: There have been days since these Schedules came out. I have had my Schedule for several days which said \$50 for cigarettes.

Mrs. Edna M. Moyle: Mr. Chairman.

The Chairman: The Member for North Side.

Mrs. Edna M. Moyle: I, too, must join the First Elected Member for George Town because they are just now having this amended. They did not know when it was going to drop. Be that as it may, I cannot agree. I am a smoker, and it may be said because I smoke, but I support my habit if I want to continue to smoke, but it is the poorer people who are going to smoke whether we make that cigarette \$15 or \$2. But I have grave concerns over the gasoline.

All Members know that I spoke on the original tax package which came to this Parliament and I stand by what I said then. I supported that tax package, and I still support that tax package. I would feel much better if the 15 cents now put on gasoline would be totally removed to help the people, particularly from the lower and middle income bracket in the Eastern districts who, because of the actions taken, are now going to have to bear the brunt of this entire tax package.

I am listening to what is said, but I want to record that I cannot support this new tax package coming to Parliament. The first tax package should have gone through, and if it did not work, it should have come back to this Parliament to be amended.

The Chairman: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I would just like to remind the First Elected Member for George Town that this went through the House just after the lunch break on Friday. It has been with Honourable Members since just after lunch on Friday and through the weekend.

The Chairman: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: With due respect, when this package was voted upon... not that this is any fault of the House, I was not here as I had an appointment which took me outside of the precincts of Parliament. To the best of my recollection the First Elected Member for George Town also had an appointment. So he may not have been present either.

Be that as it may, the hour that we resumed on Friday afternoon would have hardly given us the time required to make these amendments and bring them back here. In any instance, what cannot be taken for granted is that we had no input on the conversations and the discussions that went on between the National Team Government and the Council of Associations. So any attempt to say that those

of us who were not privy to those discussions had ample time falls far short of the mark.

The Chairman: The Third Elected Member for George Town.

Mr. Linford A. Pierson: In support of the views of the First Elected Member for George Town and the Third Elected Member for Bodden Town, I would have thought that every latitude would have been given to Members on the Backbench to enable them to deal with these matters at this time, in view of the fact that many of us sat by waiting on the Members of Executive Council to get this package together without a murmur. We were co-operating with them. So, to deprive us at this stage, or to disenfranchise us in any way because we did not follow a certain procedure would not seem to be in the best effort of full cooperation.

The Chairman: I would just like to say that if you are referring to me as Chairman, I am not trying to disenfranchise anyone. I would just like to get the procedure moving a little more orderly. That is simply all that I am saying. I certainly have no intention of trying to deprive anyone of any right which is given to them under the Constitution.

The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Chairman, since it seems to be just two items in issue, there is another procedure in which a vote can be split on different items. That is normally only on subsections in a Law, but it may well be that it could be extended to those two items. A vote can be taken on those two items in isolation to the others.

Mr. D. Kurt Tibbetts: Mr. Chairman, it may be more than two items. The same procedure that the Minister for Education referred to may well be one that can be followed, but it may well be more than two items.

The Chairman: The Honourable Minister for Tourism Commerce and Transport.

Hon. Thomas C. Jefferson: May I suggest that you get approval on item by item as you go down this list, starting with the 10% import duty? I think if we go in the direction of seeking approval item by item we may sort it out in that way.

The Chairman: That is fine with me. Does that meet the approval of the Committee? Honourable Member, would you do that?

Hon. George A. McCarthy: For Members' benefit, if everyone would now turn to item 13 on the Schedule, the original Schedule, and the corresponding Schedule handed out on Friday, that will show these items as amended, as item number 12. But we can start with item 13 on the original Schedule, and I will go down each item.

May I also suggest, and this reverts to the original suggestion I made, for the benefit of clarity, once we identify an area to be amended or caught up in the amending Motion, it would be useful for me to look at the original Schedule and identify the category of items in question. I can read through those, and they can be taken as not being a part of the record, once we go through and agree with the amendments, I can go to the section of the amending Motion and read through that for the benefit of complying with the procedures of the House.

The Chairman: Is that procedure satisfactory to the Committee?

Hon. George A. McCarthy: Mr. Chairman, the very first item is Disinfectant/insecticides. That remains as is. The current rate is duty free, it is proposed that this be increased to 15%. This increase came into effect with Government Motion No. 4/97 which was passed on Friday.

The second item is under 42.01 Leather Goods, etc. Footwear and furniture. The Schedule in the current rate shows it as duty free. This amendment will allow for that to continue, although the Schedule as presented following the Bill showed it as increased to 10%.

Item 24.01, Manufactured tobacco and cigarettes, under the current rate section the amount shown is \$30 per 1,000. What was in the recommended rate column was \$50 per 1,000. That has now been changed to \$35 per 1,000.

Mr. Linford A. Pierson: Mr. Chairman, I just wanted to know whether, as the Third Official Member goes down the list, we can stop him or will he go through the whole thing and then we can go back to a particular point. It would be better if we dealt with it as he comes to each item.

The Chairman: I would recommend that we deal with each item as we go along.

Mr. Linford A. Pierson: My earlier recommendation was that we reconsider the reduction from \$50 per 1,000 to \$35, and that we could perhaps leave that at \$50 per 1,000 because there was a suggestion that later on we might be able to consider the increase in gasoline, motor vehicle parts and accessories and also the motor vehicle cars.

So my recommendation is that we leave the \$50 on the cigarettes and take it off the gasoline and/or the increase in motor cars.

The Chairman: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I believe that if we are going to do this the simplest thing would be to follow the numbers on the Bill. Is it that we intend to take a vote on each one of these as we go down? The Schedule is not necessarily in the same number order as the Bill.

Mr. Linford A. Pierson: Mr. Chairman, he is quite correct. Item 24.01, which is quite a way down from 3.02 which he started with.

The Chairman: Maybe we should take it by the Bill and take a vote on each item as we go along.

Hon. George A. McCarthy: Mr. Chairman, may I suggest... I think this will also deal with the proposal by the Honourable Minister. Since the amending Motion in front of us takes into account all of the items as appearing in the Schedule, if we were to cover all of the items here, although they will be out of sequence, by the time we get to the end we will know that we have covered everything in the Schedule. It could be taken that we could vote on the various clauses within the amending Motion itself by recognising that we would have covered all of the items appearing under those clauses by the time we get through everything on the Schedule whether they are in order or not.

Mr. Linford A. Pierson: Mr. Chairman, if that is agreed on, I would like to go back to the item dealing with cigarettes, 24.01.

Hon. George A. McCarthy: Mr. Chairman, if Members are in agreement with the proposal I have just made, we can proceed on that basis.

The Chairman: I was just wondering (and this may not be the proper solution), if we should not adjourn the Committee in the Chamber and go into the Committee room and iron out some of these difficulties and then try to come back to Committee if that is possible.

Hon. George A. McCarthy: Mr. Chairman, it seems to me that what we are having a difficulty with is agreeing on the procedure to be followed. If we can agree on one set of procedures and recognise that all of the items appearing in the Schedule... for example, when we look at the amending Motion we will see that it runs in numerical sequence. It does not necessarily follow the order of the Schedule, but when we go according to this and recognise that all of the items that are on there, in terms of the changes being made, are being implemented through this amending Motion... if they are all embraced within the amendments I think we can move forward, knowing that when we get to the end and will have considered the very last item, we would have picked up everything being proposed within the amending Schedule.

Mr. Linford A. Pierson: Mr. Chairman, that is quite correct. Even though it is not in the same numerical sequence as the Committee stage amendments, at the end of the exercise under item 13 we will have picked up all of the items.

As the Minister for Education mentioned earlier, there are really only three items under this import duties that have so far been raised. There could be others, but so far there are only two or three, one having to do with the ciga-

rettes, the other with gasoline. The third one deals with import duties on cars. There may be others that have escaped me.

The Chairman: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Let me just say that I understand what the Third Official Member is suggesting, and I concur. If we are going to get anywhere today, I suggest that we go that route.

The Chairman: The Honourable Third Official Member responsible for Finance and Development, will you proceed then?

Hon. George A. McCarthy: Mr. Chairman, we got up to item 24.01, manufactured tobacco and cigarettes. It was at this point when the Third Elected Member for George Town raised the question as to whether a further amendment can be considered.

The Chairman: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Many of my friends smoke, but cigarettes are a luxury and not a necessity. I would prefer to see the increase in taxes placed on cigarettes rather than on gasoline. This will especially affect people travelling from the eastern districts, like North Side and East End. I recommend that rather than reducing the duty on cigarettes, that we should consider gasoline and motor vehicle parts/accessories and also the increases on motor cars.

So my recommendation would be that we leave the \$50 per 1,000 on cigarettes and consider a reduction on gasoline and the other two items I mentioned earlier.

The Chairman: Are you recommending that we now take a vote on your amendment?

Mr. Linford A. Pierson: Yes, Mr. Chairman.

The Chairman: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: I am also one of those Members who does not like to deal with taxes, but, unfortunately, in order for us to fund this budget it is necessary for us to raise some taxes. I think the National Team Government when they put these proposed increases together carefully weighed the impact it would have on the average resident of these islands. I am talking particularly about the increase in import duties on cars. That is why we put it at CI \$20,000 for the duties to remain at 27.5%.

Our attitude was that the average Caymanian going to buy a car can find one that falls within the US \$25,000, which is CI \$20,000. Anyone who has the money or the desire to buy a much more expensive car, should be in a position to pay for the extra value of that car.

Nobody, including me, likes to think of increasing the increase on gasoline. We started at 50 cents and compro-

mised down to 40 cents. I think we have to be very careful that we do not sit here all afternoon and play politics with these tax measures, and at the end of the day not understand that if we do not raise the revenue here, then we will have to get it from somewhere else.

I believe that the situation of compromise we have now arrived at was arrived at through consultation and as much as I dislike the use of cigarettes (and I do not smoke), I would not support an increase of the tax on cigarettes by off-setting it against reducing the duties that will be derived from motor cars. I believe that we have to recognise that we have a problem here with the amount of traffic congestion and we need new roads. My question is, How do we pay for these additional services that we need?

As I said, we can play politics with this all afternoon, but my attitude is that if we are not going to get the revenue we need from the tax measures, then we might as well forget the whole tax package in the first place. When the Financial Secretary starts squealing that there are no funds to pay salaries, or continue to fund the completion of the hospital and other projects we have in the pipe line now that our people have asked us for, then what do we do? It is not a nice situation, but we all recognise that the National Team has been as conscientious as any Government in regard to taking into consideration what we impose as far as taxes or other measures that add to the financial burden of our people. But at this stage we need to be very careful with regard to the additional reductions that we are suggesting.

The Chairman: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: I just want to make one clarification on a statement made by the last speaker. I wish to make it explicitly clear that I, the Third Elected Member for Bodden Town, was excluded from the discussions he mentioned were held, and I can think of some other Members of this Committee who were also excluded. I am sure that those Members will identify themselves, but I will risk identifying them: The First Elected Member for George Town, the Third Elected Member for George Town and the Fourth Elected Member for George Town, to the best of my knowledge, were excluded for the most part from these discussions, as were many of the people we claim to represent. I want to make it abundantly clear that I do not feel any compulsion to support this package.

Dr. Frank McField: Mr. Chairman.

The Chairman: The Fourth Elected Member for George Town.

Dr. Frank McField: I would like to correct what the Third Elected Member for Bodden Town said when he mentioned that I was excluded from some of these discussions. I do not know how many discussions were held, but I was included in at least one of the significant ones. I must say truthfully, the reason that I feel I was included in that dis-

cussion is because I have shown that I am willing to cooperate to a certain extent with what is being tried here.

With regard to the understanding that we would like to switch the tax burden from one district to the next, or from one group of consumers to another group of consumers, that is just political expediency. Somehow, I think that regardless of what happens we will all be blamed for the fact that taxes are being increased and some people may have the position of saying that they had nothing to do with it. But Parliament is a collective exercise and regardless of what happens here we are all responsible.

I have a lot of friends who smoke, but I think that from my understanding, to switch the burden to cigarette smokers, we need to remember that smoking cigarettes is also a habit which people cannot just break from in one day. Sometimes it takes people years, and sometimes they are never successful. So the poor working guy who cannot afford a pack of cigarettes because they are too expensive could be placed in a very uncomfortable position.

The entire exercise is not to hurt anybody, but we all know that our citizens have an obligation to see that the country is funded in such a way that it runs properly. I do not think that too many people are out there complaining about the duties on vehicles. I think people are satisfied.

I must also say that I am of the opinion that the people of the Council of Associations were able to articulate their grievances, and perhaps they got a little bit better out of their situation than they might have if they had not been able to get together and do this. But this is the situation today. What we really need to do is pass these measures and finish this work and get on. I do not think that talking about whether cigarette smokers, or people who use petrol to smut up the roads and who is going to be better off at the end of the day is where it is really at.

The Chairman: The Third Elected Member for George Town.

Mr. Linford A. Pierson: On a scale of one to ten, the increase on motor cars was not really on the top. I would have thought that consideration would have been given by all Members to my comments on gasoline and also on motor vehicle parts and accessories because these are parts that have to be purchased primarily by the middle and lower income individuals who find that they have to make repairs to their cars even more than the upper income individuals.

What creates some bother in my mind is the constant reference to the National Team Budget. We are in this together and I do not believe that any Member of this House is playing politics with this. These items are of very sincere interest to each one of us. To suggest that this is a Budget by the National Team and that we must take it or leave it would make our position in this Honourable House somewhat redundant. I am also asking that there be much more tolerance, especially in view of the fact that there is a very small minority dealing with this. I think that our views should be taken for what they are.

Again I say that I feel some consideration should be given to a further reduction in gasoline and also to motor

vehicle parts and accessories. I take the point made regarding motor cars. As I said, most lower income individuals should be able to purchase a motor car for up to \$20,000 which would not be increased. But the increase in gasoline will definitely create a hardship on many of our people, as will the increase on motor vehicle parts and accessories.

The Chairman: The Honourable Minister for Tourism Commerce and Transport.

Hon. Thomas C. Jefferson: I doubt whether anybody can justifiably say that we have taken the approach of 'take it or leave it' for what the National Team Government has put forward. If that is the case, why did we meet with the Council of Associations and come to the agreements we have?

Members have every right to propose any amendment they so wish, but we have every right to agree or not.

The Chairman: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: After I get this off my chest, I will be very co-operative. I must get it off, or I'll pop!

Let me just say this so that it is clearly understood: I sit here as a representative of the people, just like each and every elected Member in this Honourable House. If I am not supposed to ask for any quarter or give any quarter, I am fine. It does not matter to me. The point I wish to make is when we talk about the revenue measures that are being put in place and the changes that are coming to us, it has to be understood that at no point in time before right now have some of us had any opportunity to say anything about any of this. So, for anyone to even dream that we should not, then there is something definitely wrong with the process. That is all I want to say.

Whatever we talk about with these individual measures, as the Minister for Tourism quite rightly said, they (whoever the majority are at this point in time) have the right to go with what they think is right. But, certainly, we have the right to air the views of what we see within these measures. This is the first opportunity that we are having to speak about it.

The Chairman: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: It seems that there are three Heads out of these that may need to be put separately. If that Motion is carried, or fails or whatever, then we will know whether an amendment would have been carried or failed. Since there are only three items in it—maybe cigarettes...

The Chairman: Would you quote the three items?

Hon. Truman M. Bodden: Cigarettes, I understood, motorcars and gasoline, and parts and accessories, four.

The Chairman: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: May I just seek some assistance here? The section under boats, and I hear what the Honourable Minister is leading up to, but I would just like to get one question clarified. Prior to this (and I do not have the Law in front of me at this time), were boats under 18 feet duty free?

Hon. Truman M. Bodden: Mr. Chairman, they were not.

Mr. D. Kurt Tibbetts: They were not? Well, if I may then—I told you I would be co-operative once I got this off my chest. If I may just seek some guidance from someone—there are a few businesses on the island selling boats as part of their retail business. It was brought to my attention this morning (and I feel compelled to air it to see if there is any way to resolve it) that there are some people who have boats in stock who have paid duty (is it 20%?) for the boats in stock presently. With this immediately going into effect, there will be competition having those same boats in a matter of weeks and will be able to sell them for much less than the ones on the lots now...

(interruptions from across the floor)

Mr. D. Kurt Tibbetts: *(addressing a Member)* You are not understanding me. It's not one person who is selling.

Mr. Chairman, if the Third Elected Member for West Bay thinks that I do not have any sense, he can go home thinking that, but he will find out better sooner, or later.

The point I am trying to make is that there may be people who are able to compete with the same individuals who have these vessels on hand now who will be able to sell the same type of vessel in a short time at less than they are able to. All I am asking is if it is possible to have some period of duration or can it be investigated? We are not talking about a lot of boats, is it possible for a rebate for those in stock now? I am sure there is not a huge amount, but boats are not a \$5 item.

That is all I am asking. If no one is prepared to give it consideration, I have at least aired it. Even though the Third Elected Member for West Bay thinks I am not making any sense, I think the Honourable Minister for Education, Aviation and Planning understand exactly what I am trying to find out.

The Chairman: The Fourth Elected Member for George Town.

Dr. Frank McField: I would just like to pass a few remarks in consideration of the First Elected Member for George Town. In all matters there will be someone who will be inconvenienced as a result of these, or any measures. It still goes back to the greatest good for the greatest number of people. There will be a few individuals and companies that will suffer. We cannot right it all. It will be impossible, and we will have to take our licks for not being able to create a perfect situation.

That is all I am saying in terms of the considerations we make; we must make them based upon the greatest good for the greatest number of people.

The Chairman: The Honourable Minister for Tourism Commerce and Transport.

Hon. Thomas C. Jefferson: Mr. Chairman, may I suggest that you put some of these items to the vote?

The Chairman: I think it is about time.

Mr. Linford A. Pierson: Mr. Chairman, I would just like to slightly amend what I said earlier by concentrating more on the gasoline, spare parts for cars, and there was one other item I mentioned.

The Chairman: Would you mind moving a Motion?

Mr. Linford A. Pierson: I move that the amendment to Clause 5(1) be amended: (i) in item 24.01 by deleting "\$35 per 1,000" and substituting \$50 per 1,000; (ii) in item 27.01 by deleting "40 cents" and substituting "25 cent; and (iii) in item 87.11 by deleting "25%" and substituting "20%".

The Chairman: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: I second that.

The Chairman: The Motion has been moved and seconded. I shall put the question. Those in favour please say Aye...Those against No.

AYES and NOES.

Mr. Roy Bodden: Mr. Chairman, can we have a division please?

The Chairman: Certainly. Madam Clerk.

Clerk:

DIVISION NO. 6/97

AYES: 3

Mr. D. Kurt Tibbetts
Mr. Linford A. Pierson
Mr. Roy Bodden

NOES: 9

Hon. James M. Ryan
Hon. Richard H. Coles
Hon. George A. McCarthy
Hon. Thomas C. Jefferson
Hon. Truman M. Bodden
Hon. Anthony Eden
Mr. John D. Jefferson, Jr
Dr. Frank McField
Mrs. Edna M. Moyle

Abstention: 1

Mrs. Julianna O'Connor-Connolly

Absent: 4

Hon. W. McKeever Bush

Hon. John B. McLean
Mr. D. Dalmain Ebanks
Miss Heather D. Bodden

Mrs. Edna M. Moyle: Mr. Chairman, can you please repeat the question so that I am clear as to what I am voting on?

The Chairman: Can I ask the Third Elected Member for George Town to repeat the Motion?

Mr. Linford A. Pierson: I move that the amendment to Clause 5(1) be amended:

(i) in item 24.01 by deleting "\$35 per 1,000" and substituting \$50 per 1,000;

(ii) in item 27.01 by deleting "40 cents" and substituting "25 cent; and

(iii) in item 87.11 by deleting "25%" and substituting "20%".

Mrs. Edna M. Moyle: Mr. Chairman, I have no choice in this and at another point I guess I will put the Motion that the gasoline duty be reduced, but I vote No.

The Chairman: The result of the division is three Ayes, nine Noes, one abstention. The Noes have it.

AGREED: AMENDMENT TO AMEND CLAUSE 5(1) DEFEATED BY MAJORITY.

The Chairman: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: I would now suggest that we can take the amendments to the remaining items en bloc, rather than dealing with them individually.

The Chairman: To clause 5?

Hon. George A. McCarthy: Yes.

The Chairman: The question is that the amendments as read to clause 5 be approved.

I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AMENDMENTS PASSED.

The Chairman: I now put the question that clause 5, as amended, do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 5 AS AMENDED PASSED.

Clerk: Clause 6. Prohibition of importation of Hummer vehicles.

The Chairman: There is no amendment to Clause 6. The question is that clause 6 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 6 PASSED.

Clerk: Clause 7. Environmental protection fee.

The Chairman: There is an amendment to clause 7. The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: Item number 9 is a new category whereby for those passengers departing by air there is a proposal to levy a charge of \$2, and for those departing by cruise ship, \$4.

That Clause 7 be deleted and the following substituted -

"7. (1) Every agent shall collect from -

(a) every traveller in every outward bound vessel; and

(b) every tourist on a cruise ship an environmental protection fee in the amount of \$2.00 in relation to paragraph (a) and \$4 in relation to paragraph (b) and shall account to government for all sums collected in the manner prescribed by the Financial Secretary."

Mr. Chairman, I would like to propose a further amendment which does not appear in the amending Schedule. It reads as follows:

"(4) The fee under subsection (1)(b) shall come into effect by order made by the Governor in Executive Council."

The Chairman: The amendment to clause 7 is open for debate.

Hon. George A. McCarthy: Mr. Chairman, I should have continued further on in the Schedule in the amending motion before putting that amendment.

"(2) For the purposes of this section "agent" has the meaning given in subsection (3).

“(3) Every person having a full or part proprietary interest in a vessel shall appoint an agent in respect of every outward bound vessel in which he has an interest.

“(4) The fee under subsection (1)(b) shall come into effect by order of the Governor made in Executive Council.”

The Chairman: I shall put the question that clause 7 be amended as read. Those in favour please say Aye...Those against No.

AYES and NOES.

The Chairman: The Ayes have it.

Mr. Roy Bodden: May we have a division please?

The Chairman: Certainly.

Clerk:

DIVISION NO. 7/97

AYES: 8

Hon. James M. Ryan
Hon. Richard H. Coles
Hon. George A. McCarthy
Hon. Thomas C. Jefferson
Hon. Anthony Eden
Mr. John D. Jefferson, Jr
Dr. Frank McField
Miss Heather D. Bodden

NOES: 0

Abstentions: 4

Mr. D. Kurt Tibbetts
Mr. Linford A. Pierson
Mrs. Julianna O'Connor-Connolly
Mr. Roy Bodden

Absent: 5

Hon. W. McKeever Bush
Hon. John B. McLean
Hon. Truman M. Bodden
Mr. D. Dalmain Ebanks
Mrs. Edna M. Moyle

The Chairman: The result of the division is eight Ayes, zero Noes, four Abstentions. The Ayes have it. Clause 7 is amended.

AMENDMENT TO CLAUSE 7 AS AMENDED PASSED BY MAJORITY.

The Chairman: I shall now put the question that clause 7, as amended, do stand part of the Bill. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 7 AS TWICE AMENDED PASSED.

Clerk: Clause 8. Development impact fee (1995 Revision).
Clause 9. Building permit fee.

The Chairman: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: The amending Motion seeks to have clauses 8 and 9 deleted. Clause 8 refers to the Building Development Impact Fee and clause 9 the Building Permit Fee.

As Members were informed on Friday, the Development Impact Fee has been rescinded. Discussions are underway at this time on the Building Permit Fee.

The Chairman: The Motion to delete clauses 8 and 9 has been duly moved. Does anyone wish to speak to the Motion? If not, I shall put the question that clauses 8 and 9 be deleted. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: AMENDMENT TO DELETE CLAUSES 8 AND 9 PASSED.

Clerk: Clause 10. Immigration and passport fees.
Clause 11. Abolition of bicycle tax- repeal of section 20 of the Traffic Law 1991.
Clause 12. Repeal of section 5 of the Tax Collection Law (1995 Revision).
Clause 13. Application of sections 14 to 23.

The Chairman: The question is that clauses 10 through 13 do stand part of the Bill.

Mr. D. Kurt Tibbetts: Mr. Chairman, I just have a question under clause 10 of the Bill, in subsection (c) where there is an application for the grant of permanent residence and there are three different categories: For persons with a right to work without Caymanian Connections, unskilled \$400, skilled \$1,500, and professional \$5,000. My understanding of how the Law is at present is that regardless of a person Acquiring permanent residence with the right to work that does not change the fact that every year that individual still pays whatever the subscribed fee is for his/her work permit. So, I am wondering if this penalty is not a bit onerous, due to the fact that it does not give the individuals any other right except for a security of tenure. Paying for permanent residence with the right to work in whatever category does not change if that person is here for 40 years - the work permit fee must be paid.

I am just wondering about that. Perhaps someone can share a comment.

The Chairman: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The amount that is paid is for the permanent residence. The Member is quite right in that they go on paying the work permit fee each year. They do get permanent residence and that gives security of tenure.

The Chairman: Does any other Member wish to speak?
The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Are we then to understand that if a person in such a category is working for an organisation that the onus is upon that organisation to pay this fee, or does it fall upon the individual? In the case of someone recruited on a work permit, that individual is not supposed to pay the work permit, but that work permit is to be paid by the organisation or company for which that person is working. Is that the same expectation for a person working for a company, or does the onus now fall on the individual?

The Chairman: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I really do not know the answer for that. There is a library here, perhaps we can check on that. We do not change anything in that regard that existed before. What I do know is that work permit fees have to be paid by employers.

The Chairman: Does any other Member wish to speak?
The question is that clauses 10 through 13 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSES 10, 11, 12 AND 13 PASSED.

Clerk: Clause 14. Amendment of the Port Regulations (1995 Revision) local vessel licence fee.

The Chairman: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: If Members would turn to item 6 of the Schedule, as it presently stands it reads, "Members of the Cayman Islands National Watersports Association, \$25...", that is now being deleted through the amendments. Therefore, the remaining items in that category should read:

<u>Vessel</u>	<u>Fee</u>
Local boats under 18 feet	Free
Jet-ski boat	
used for private purposes	\$100
used for commercial purposes	\$300
Local boats over 18 feet and ships	
between 18 and 30 feet	\$150
between 31 and 50 feet	\$500

over 50 feet \$1,000

I will now read the narrative as set out: "That in Clause 14, regulation 142(2) be deleted and the following substituted -

(2) Each of the following fees listed under the heading "Fee" shall be payable in respect of the vessel listed immediately opposite under the heading "Vessel" -

<u>Vessel</u>	<u>Fee</u>
Local boats under 18 feet	Free
Jet-ski boat	
used for private purposes	\$100
used for commercial purposes	\$300
Local boats over 18 feet and ships	
between 18 and 30 feet	\$150
between 31 and 50 feet	\$500
Local Ships over 50 feet	\$1,000."

The Chairman: The question is that clause 14 be amended. If there is no debate I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

Mr. D. Kurt Tibbetts: May we have a division, please?

Hon. Truman M. Bodden: Mr. Chairman, I heard no Noes.

Mr. D. Kurt Tibbetts: There is such a thing as an abstention, and people may want that recorded.

The Chairman: Madam Clerk, please call a division.

Clerk:

DIVISION NO. 8/97

AYES: 8

NOES: 0

Hon. James M. Ryan
Hon. Richard H. Coles
Hon. George A. McCarthy
Hon. Truman M. Bodden
Hon. Anthony Eden
Dr. Frank McField
Miss Heather D. Bodden
Mrs. Edna M. Moyle

Abstentions: 4

Mr. D. Kurt Tibbetts
Mr. Linford A. Pierson
Mrs. Julianna O'Connor-Connolly
Mr. Roy Bodden

Absent: 5

Hon. W. McKeever Bush
Hon. Thomas C. Jefferson
Hon. John B. McLean

Mr. John D. Jefferson, Jr
Mr. D. Dalmain Ebanks

The Chairman: The result of the division is eight Ayes, zero Noes, three abstentions. The Ayes have it. The amendment to clause 14 passes.

AMENDMENT TO CLAUSE 14 PASSED BY MAJORITY.

The Chairman: The question is that clause 14, as amended, do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 14 AS AMENDED PASSED.

Clerk: Clause 15. Amendment of the Registered Land Rules (1996 Revision).

The Chairman: There is an amendment to clause 15. The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: I should point out that whenever I refer to the Schedule, I am talking about the original Schedule that was circulated. Members may want to line up the original Schedule with the new one which was circulated on Friday. The item under consideration is item 8, Land Registry Fees.

The changes are as follows: Inspection of Register, currently \$2.00. There was a recommendation to increase this to \$10.00. That has now been changed to \$5.00.

Uncertified copy of registry map, currently \$2.00, recommended increase \$15.00. That has now been reduced to \$5.00.

Certified copy of registry map, currently \$4.00, recommended increase was \$25.00. That has now been reduced to \$10.00

Certified copy of registered instrument, currently \$5.00, recommended to be increased to \$30.00 has been reduced to \$10.00. All the other increases remain.

I will now read the narrative: "That Clause 15 be amended as follows -

(a) in paragraph 7, "\$10" be deleted and "\$5" substituted;

(b) paragraph 9(a), "\$25" be deleted and "\$10" substituted and in paragraph 9(b), "\$15" be deleted and "\$5" substituted.

(c) in paragraph 10, "\$30" be deleted and "\$10" substituted."

The Chairman: Does anyone wish to speak to this amendment?

The Third Elected Member for Bodden Town.

Mr. Roy Bodden: I would just like to record that with the Land Registry Department going into full computerisation, I find these increases alarming. I have to record the observation that any increase from \$10.00 to \$50.00 is a signifi-

cant increase and bound to affect the average person particularly. I can see no compelling reason why this increase should be so significant and I find it somewhat puzzling in light of the automation. I welcome some kind of explanation.

The Chairman: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: These fees have remained unchanged for several years. As the Member pointed out, these changes will have some impact upon the community, but I should point out that these increases were discussed fully with the Council of Association members representing the real estate industry. They agreed that the proposed increases by the Government were reasonable. So, on that basis, I think the fees we now have in front of us ably reflect the value of the administrative services that are being provided.

The Chairman: Does any other Member wish to speak?

The question is the amendment to clause 15. I shall put the question. Those in favour please say Aye...Those against No.

AYES and NOES.

The Chairman: The Ayes have it.

Mr. Roy Bodden: May we have a division, please?

The Chairman: Certainly.

Clerk:

DIVISION NO. 9/97

AYES: 8

Hon. James M. Ryan
Hon. Richard H. Coles
Hon. George A. McCarthy
Hon. Thomas C. Jefferson
Hon. Truman M. Bodden
Hon. Anthony Eden
Dr. Frank McField
Mrs. Edna M. Moyle

NOES: 3

Mr. D. Kurt Tibbetts
Mr. Linford A. Pierson
Mr. Roy Bodden

Abstentions: 1

Mrs. Julianna O'Connor-Connolly

Absent: 5

Hon. W. McKeever Bush
Hon. John B. McLean
Mr. John D. Jefferson, Jr
Mr. D. Dalmain Ebanks
Miss Heather D. Bodden

The Chairman: The result of the division is eight Ayes, three Noes, one Abstention. The Ayes have it.

AMENDMENTS PASSED BY MAJORITY.

The Chairman: The question is that clause 15, as amended, do stand part of the Bill.
I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 15 AS AMENDED PASSED.

Clerk: Clause 16. Amendment of the Firearms Regulations (1995 Revision).

The Chairman: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: If Members would refer to item 16 in the Schedule, the changes are as follows: Shotgun for farmers only, original recommendation \$50.00 reduced to \$15.00. For all other users, \$500.00 reduced to \$100.00. Rifles, for farmers only, original recommendation of \$50.00 is reduced to \$15.00. For all other users, \$500.00 is reduced to \$100.00.

Handguns, each user, \$1,000 reduced to \$100. Air gun, air rifle and air pistol, \$150, reduced to \$100. Import permit, \$2,000, reduced to \$500.00. Export, Transfer and Disposal permits remain as set out in the original Schedule.

I will now read the amendment to clause 16: "That Clause 16 be deleted and the following substituted -
"Second Schedule (Reg.3) FEES

The fees payable for licences and permits pursuant to section 35(1) are as follows -

A - Licences

- (a) Shotgun (per gun)
 - (i) Farmers \$15 per year
 - (ii) All other users \$100 per year
 - (b) Rifle (per gun)
 - (i) Farmers \$15 per year
 - (ii) All other users \$100 per year
 - (c) Hand gun (per gun) \$100 per year
 - (d) Air-gun, air rifle and air pistol \$100 per year
- B - Permits
- (a) Import Permit (not including farmers) \$500
 - (b) Export Permit \$10
 - (c) Transfer Permit \$100
 - (d) Disposal Permit Nil."

That is the extent of the amendment.

The Chairman: The question is that clause 16 be amended. Does anyone wish to speak?
The Member for North Side.

Mrs. Edna M. Moyle: Is the import permit fee going to be left at \$5 for farmers?

Hon. Truman M. Boddan: Mr. Chairman, there is no import fee. It has actually been excluded from this.

Mrs. Edna M. Moyle: How do we define 'farmer'? Does it include everyone who plants something in his backyard?

Hon. Truman M. Boddan: I think it would be a question of fact. I would assume that it is a person who carries on farming as a material part of their lives.

The Chairman: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: For purposes of clarity on what the lady Member asked, the Minister for Education just said that there is no import duty fee for farmers, that it has been deleted. As the Law reads now, before these changes, there is a \$5.00 import duty fee.

Hon. Truman M. Boddan: What happened when we amended this, the \$5 slipped through. I am being honest with you.

Mr. D. Kurt Tibbetts: I appreciate what you are saying, but your answer said that there is no fee. If there is nothing in relation to the changes here, the Law will stay as it is, and there will be a \$5.00 fee.

Hon. Truman M. Boddan: No, Mr. Chairman, because we abolished that whole section.

Mr. D. Kurt Tibbetts: The entire section is out the window?

My other question may sound stupid, but someone asked of me, and I could not truthfully give the answer. There are some people who reside on our island, who go abroad to shoot in skeet competitions and various other competitions in which they use their handguns or whatever. In other words, competitive shooting. Do they need an import licence/permit (which now stands at \$500) to bring the guns back into the country?

Hon. George A. McCarthy: I believe the mechanism for dealing with this areas as outlined by the First Elected Member for George Town would be the Customs Law.

Mr. D. Kurt Tibbetts: The regular way of the form and then they come back?
Fine, I just wanted to make sure.

The Chairman: Does any other Member wish to speak?

The question is that clause 16 be amended. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AMENDMENT TO CLAUSE 16 PASSED.

The Chairman: The question is that clause 16, as amended, to stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 16 AS AMENDED PASSED.

Clerk: Clause 17. Amendment of the Public Health (Garbage and Refuse Disposal) Regulations (1995 Revision).

The Chairman: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: Because the amendments are so extensive, I would like to refer Members to the new Schedule, item 10.

Hon. Truman M. Bodden: I am really wondering if it is necessary to read all of the amendments in that, or whether Members would just look at it.

Mr. D. Kurt Tibbetts: Am I to understand that item 10 in the new Schedule which begins with "Three days per week" is the one the Honourable Member is referring to?

Hon. George A. McCarthy: Item 10 in the new Schedule, the one handed out on Friday. We are discussing garbage fees, item 10. The very first item on that is "private houses and apartments."

I think the Member has gone on to the second page of that Schedule. If he would turn to...

Mr. D. Kurt Tibbetts: All right.

The Chairman: Would Members agree that we just say "as listed in the Schedule", rather than reading out each item?

Mr. D. Kurt Tibbetts: Yes, sir, but I have just one question.

The Chairman: Are you finished, Honourable Third Official Member?

Hon. George A. McCarthy: Just to point out for Members' benefit that the changes so far reflect an increase of 20% in all categories with the exception of private houses and apartments which remain as they previously were; and also the removal of animal carcasses is now free.

The Chairman: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I am exposing myself again, but I run that risk regardless. In the Schedule there is a referral to private houses and apartments. Then, on the very next

line it says "condos." Can someone explain to me exactly where the line is drawn?

The Chairman: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: Mr. Chairman, I have been trying to figure out the answer to that question, and have not done so as yet. I will ask the Second Official Member to assist me.

Hon. Richard H. Coles: For what it is worth (and I'm not sure it's worth a great deal) I will tell you that generally, condominiums are developments that are subject to a registered strata plan, apartments are not.

Mr. D. Kurt Tibbetts: Are we then saying that apartments that are referred to here are rental units? Because if we are not saying that and these apartments have been sold, they must be strata. My understanding of what you are saying is rental units, not individual owned units.

Hon. Richard H. Coles: Mr. Chairman, if that is a fact, then so be it. All I am stating is what I said before, that condominiums are generally regarded as being subject to a registered strata plan, apartments are not. If that therefore means that they are rented, so be it.

The Chairman: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: These categories have not changed. As has been done in the past, the Public Health Department will continue to do in the future.

As I understood it, the practice was that people who were renting (and I guess also owning) in the more apartment-type of condominium were also covered. I think beyond that we will have to go back to the Public Health Department and get something more specific. But let's put it this way: If you are on Seven Mile Beach in a condominium you will more likely pay the \$180. If you are renting an apartment on Crewe Road, you will pay \$50.

Mr. D. Kurt Tibbetts: I take the point. I understand what both Members have said. I asked the question because it has come to my attention (and some of us learn faster than others, if I am a slow learner, so be it) that the way this reads it retains ambiguity. There are many individuals who can be affected one way or the other, and it is my belief that somewhere down the line someone in a responsible position needs to make a definition. While it does not change what is here now, I am simply making a point and asking that it not be left this way. At some point in time someone is going to feel that they have been penalised when they should not have been.

What the Honourable Minister for Education just said differs in its concept from what was said by the Honourable Second Official Member. I am simply saying that someone should seek a definition and let it be clarified.

Hon. Truman M. Bodden: I did point out that I was stating what I understood to be the practice as against.... I am not derogating from what the Honourable Attorney General has said.

I believe there can be an undertaking to get clarification in this area, but I doubt that we will settle it in this Honourable Chamber now.

The Chairman: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: I normally do not agree with the First Elected Member for George Town, but this time I do. I think there is room for a clarification in the definition between a condo and an apartment.

The Chairman: The question is that the amendment to clause 17 be made. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.
AMENDMENT TO CLAUSE 17 PASSED.

The Chairman: The question is that clause 17, as amended, do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 17 AS AMENDED PASSED.

**MOMENT OF INTERRUPTION - 4.30 PM
Standing Order 10(2)**

The Chairman: It is now 4.30. Would Members wish to conclude the Committee and adjourn?

Hon. Truman M. Bodden: Since we are so near, if it is the wish of the House, I would move that we continue until this Bill is concluded and reported on. You may also wish to take a short break in between.

The Chairman: I would be inclined to go on. How do Members feel about that?

All in favour of continuing in Committee until we finish, please say Aye.

AYES.

The Chairman: The Ayes have it.

AGREED: THAT THE COMMITTEE CONTINUE.

Clerk: Clause 18. Amendment of the Legal Practitioners (Students) Regulations, 1991.

The Chairman: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: There is no amendment to that clause.

The Chairman: The question is that clause 18 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 18 PASSED.

Clerk:

Clause 19 Amendment of the Mutual Funds Regulations 1993.

Clause 20 Amendment of the Banks and Trust Companies (Licence Applications and Fees) Regulations (1997 Revision).

Clause 21 Amendment of the Companies Management (Application for Exemption) Regulations 1991.

Clause 22 New fees for police records, etc.

The Chairman: The question is that clauses 19 through 22 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSES 19 THROUGH 22 PASSED.

Clerk: Clause 23. Abolition of dog licence fee.

Mr. John D. Jefferson, Jr: With the abolition of the dog licensing requirement, what are pet owners now required to do?

The Chairman: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: Owners are now required to register their animals, but there is no annual licensing fee.

The Chairman: Does any other Member wish to speak to that?

Mr. Roy Bodden: Just a point of clarification. That means that the same procedure will obtain, namely, going to the Agricultural Department and specifying what type of pet you have, but instead of paying and receiving a tag you will not have to pay any money?

Hon. George A. McCarthy: You will pay for the initial registration of the animal. I understand that the tag will be good for the life of the animal. However, if that tag is lost, the owner will be required to purchase a new one in order

for there to be evidence of the animal's registration. But one will not have to licence the dog annually.

The Chairman: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: That means that owners who have been diligent to licence their animals prior to this will not have to do so again?

Hon. George A. McCarthy: The Member is correct. Once there is evidence of the animal being registered, the licence tag will serve as evidence of the registration.

The Chairman: The question is that clause 23 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 23 PASSED.

Clerk: Clause 24. New motor vehicle tax.

The Chairman: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: Mr. Chairman, I should have pointed out that there was a Committee stage amendment to that clause we just voted on, clause 23. That in clause 23 the word "fee" be inserted after the word "licence".

The Chairman: I thought we considered that as just a typographical error, and the Honourable Second Official Member could change that.

Hon. George A. McCarthy: That is more expedient. Thank you.

The Chairman: The question is that clause 24 do stand part of the Bill.

The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: If Members would turn to the first item in the original Schedule, it sets out the changes that have been made. The changes that are specifically set out in the amending motion, are as follows: Under Rental Car where it showed the rate of \$180, with the new rate of \$250 proposed. Immediately below that there was another category "exceeding 400 cc", and there was a proposal to increase that to \$500. That has been rescinded.

Under motorcycles, mopeds and motorcycles up to 125 ccs, increased from \$25 to \$100. Motorcycles over 125 ccs, previously \$25, that was recommended that it be increased to \$300. The amending motion will now reduce that to \$200.

Under taxis, there is a new category which reads: "Exceeding 2400 ccs", that would have been increased to \$250, that has now been rescinded.

Under buses, the third item on the Schedule, buses over 40 passengers. The current charge is \$260, the proposed increase was to take that up to \$1,000. That has now been reduced to \$750.

Trucks, the three new categories are being deleted. These are trucks 11-15 tons, proposed annual licensing fee of \$500; trucks 16-20 tons, proposed annual licensing fee of \$650; trucks over 20 tons, proposed licensing fee \$1,000.

My apology, Mr. Chairman, these categories are not being rescinded, but it is now being proposed that 11-15 tons should be \$450; 16-20 tons, should be \$550; and trucks over 20 tons \$750.

Coming down to "other vehicles", where it has "special vehicles." Currently, the annual licensing fee of \$240 is increased to \$500. This has now been reduced to \$350.

Those are the changes, Mr. Chairman.

The Chairman: The amendment to clause 24 is now open to debate.

The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Does the ban on the importation of Hummers remain?

Hon. George A. McCarthy: Yes, Mr. Chairman.

The Chairman: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: You did say that there is a ban on the importation of those?

Hon. George A. McCarthy: Yes.

Mr. D. Kurt Tibbetts: So why do we have the fee?

Hon. George A. McCarthy: For existing ones that are presently on the island.

Mr. D. Kurt Tibbetts: All right. My question is, again, something that was brought to my attention and I feel compelled to mention it. Under motorcycles it says, mopeds and motorcycles up to 125 ccs. The current rate is \$25 and the proposed rate jumps by 300% to \$100. I think it is fair to say that there are very few of these motorcycles used privately. I think there may be one or two business establishments that rent these types of motorcycles presently. I think there are two places. It seems to me that the number of these types of motorcycles is under 100, including what is privately owned and what is used commercially. The actual amount of money to be derived by Government for this increase is probably not a large amount of money, and if we go on the premise that I am correct in saying that there are only about 100, then, all tolled, out of a \$14 million expectation we are looking at \$10,000. Is that correct?

Hon. George A. McCarthy: Mr. Chairman, can I ask the Member to repeat that?

Mr. D. Kurt Tibbetts: The original fee for these types of motorcycles was \$25 and is now \$100. If there are only 100 of these vehicles, Government will only derive a maximum of \$10,000 (which is 100 x 100). Comparing that with the entire package...

Hon. George A. McCarthy: The Member is correct.

Mr. D. Kurt Tibbetts: That is a very small amount of money. My point is that if there is only one establishment affected by this, and the amount of money is not a noticeable amount (and I am not suggesting that there be no increase), I am wondering if it is possible that the powers that be could be mindful that it is affecting one establishment.

While I understand the larger cause, and the greater good and all of that, if we were talking about a business of competition and it were a rental car business where we have 15 or 20 different operations, then it would be a different matter. So, I am asking if Government would consider making that increase a bit less than what is proposed. I am not the best when it comes to procedure, but I ask this very seriously. If it is a situation where it needs to become a Motion, then I will so move.

The Chairman: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: The Government in giving consideration to this item did not make the primary focus the increased revenue achieved by this enhancement. This is to discourage establishments from bringing in very powerful motorcycles and renting them to tourists who often times do not have the experience to handle those bikes.

As the Member is aware, quite a number of tourists are can be found at the Hospital who have been injured while riding even the smaller bikes. The Government cannot be sure at this time whether the procedures in place by these rental establishments are adequate enough to determine the capability of someone being able to manage one of these bikes properly.

Mr. D. Kurt Tibbetts: I take your point, but I am saying that mopeds are one step above a bicycle. I am not questioning the larger cc's and the position of renting out those types of motorbikes which may lead to injury because people are unable to handle them. I am asking specifically about the mopeds.

While I take the point the Honourable Member is making, I am asking that mopeds be made the exception. I am with you all the way, but I do not think that mopeds have that kind of power.

The Chairman: The Fourth Elected Member for George Town.

Dr. Frank McField: I think that I understand the reason the First Elected Member for George Town is giving and I think that some consideration could be given here.

The Chairman: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: What I suggest is that the amending motion by the Member be put to the vote. If it is carried, then the reduction could be put in place. If not, it will remain as set out in the Schedule.

The Chairman: The First Elected Member for George Town, would you move your motion?

Mr. D. Kurt Tibbetts: I therefore move a motion that the Schedule be changed under the section dealing with vehicles where mopeds, especially, be changed from \$25 to \$100 to read from \$25 to \$50. So there will be an increase if the motion carries, but it will be to \$50 and not \$100.

Dr. Frank McField: Mr. Chairman, I second that motion.

The Chairman: The motion has been duly moved and seconded and is open for debate.

If there is no debate, I shall put the question that the motion as read by The First Elected Member for George Town be passed. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 24 AMENDED TWICE.

The Chairman: The question is that clause 24, as amended, do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSE 24, AS AMENDED, PASSED.

Clerk: Clause 25. New driver licence fees, etc.

The Chairman: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: If Members would refer to item 3 of their original Schedule. It is the visitor's permit which is presently at \$4.00. There was a proposal to increase this to \$8.00, and is now reduced to \$6.00.

I will read the narrative: "That the fee for visitor's permit be changed from "\$8" to "\$6" and the fee for an additional group 4 be changed from "\$20" to "\$25".

The Chairman: The question is that clause 125 be amended. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AMENDMENT TO CLAUSE 25 PASSED.

The Chairman: The question is that clause 25, as amended, do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 25 AS AMENDED PASSED.

Clerk: Clause 26 New fees- motor vehicle licence plates.
Clause 27 Miscellaneous fees- vehicles.

The Chairman: The question is that clauses 26 and 27 do stand part of the Bill.

The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Does the Third Official Member have anything to say before we take the vote?

Hon. George A. McCarthy: Clause 26 deals with the new fee for the motor vehicle licence plates. And Clause 27 for the Miscellaneous fees vehicles. So far there are no changes from the original Schedule.

Mr. D. Kurt Tibbetts: When we are talking about motor vehicle licence plates, are the plates for the mopeds considered motor vehicle licence plates or do we have a different fee Schedule?

Hon. George A. McCarthy: They would be considered licence plates.

Mr. D. Kurt Tibbetts: The reason why I asked the question is because of the situation we talked about with the mopeds. My understanding is that the licence plates for the mopeds... someone is saying that is not the case.

Hon. Thomas C. Jefferson: I don't think the example is quite the same because the mopeds he presently has, probably already have licence plates on them. So he would only have to buy licence plates in respect of new ones that he brings into the island and registers.

Mr. D. Kurt Tibbetts: Mr. Chairman, I understand what the Minister for Tourism is saying, but my point is that those licence plates fade. The point I wish to make is that no exception is going to be made for these and they are out in the sun all the time. So if every two years or so they have to be changed, then I guess I can't fight every battle, but if we went a certain distance with the one issue, are we

going to not make it what it should be by pinning those same types of motorbikes with a \$50 fee also?

The Chairman: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: I would advise the Member to put any proposal for a reduction to a vote. Although the Member has pointed out that these plates, especially on the mopeds, have to be replaced with a given frequency, these are not annual fees. The purchase of licence plates is normally done on a one-off basis. I can understand, as the Member has pointed out, in the event they are lost or however they are disposed of in a given frequency, that it could be quite costly, especially for establishments that are engaging in the rental of motorcycles.

I cannot really add anything more to what I have said.

The Chairman: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I have heard what The Honourable Third Official Member responsible for Finance and Development has said, but I am compelled, given the position I have taken (which I happen to think is the right position) to ask by way of a motion that the motorcycles known as 'mopeds' be exempted from the increase in the cost of the licence plates, whether they be new or replacements. That is the motion I wish to move.

The Chairman: Before moving that motion, I wish to put the question that clause 26 do stand part of the Bill.

Mr. D. Kurt Tibbetts: No. If you do that now, I can't move my motion.

The Chairman: Please move your motion.

Mr. D. Kurt Tibbetts: I would like to move the motion and ask that mopeds be exempt from the increase in cost of licence plates being proposed. I am asking that it remain as it is for mopeds.

Mr. Linford A. Pierson: I second that.

The Chairman: The question is that clause 26 be amended as stated in the motion moved by the First Elected Member for George Town.

I shall put the question. Those in favour please say Aye...Those against No.

AYES and NOES.

The Chairman: Please take a division.

Clerk:

DIVISION NO. 10/97

AYES: 3

Mr. D. Kurt Tibbetts
Mr. Linford A. Pierson

NOES: 8

Hon. James M. Ryan
Hon. Richard H. Coles

Mr. Roy Bodden
 Hon. George A. McCarthy
 Hon. Thomas C. Jefferson
 Hon. Truman M. Bodden
 Hon. Anthony Eden
 Mr. John D. Jefferson, Jr

Abstention: 2

Dr. Frank McField
 Mrs. Julianna O'Connor-Connolly

Absent: 5

Hon. W. McKeeva Bush
 Hon. John B. McLean
 Mr. D. Dalmain Ebanks
 Miss Heather D. Bodden
 Mrs. Edna M. Moyle

The Chairman: The result of the division is three Ayes, eight Noes, and two abstentions. The motion fails.

MOTION TO AMEND CLAUSE 26 FAILED.

The Chairman: The question is that clause 26 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.
CLAUSE 26 PASSED.

The Chairman: Clause 27. The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: There is no change to clause 27.

The Chairman: The question is that clause 27 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 27 PASSED.

Clerk: Clause 28. Repeal of regulations saved under the Traffic Law, 1991.

The Chairman: The question is that clause 28 do stand part of the Bill.

The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: I move that under item 13 that the numbers "24" and "27" be changed to "22" and "25" respectively.

The Chairman: Does anyone wish to speak to the amendment?

The question is that clause 28 be amended. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 28 AMENDED.

The Chairman: The question is that clause 28, as amended, do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 28, AS AMENDED, PASSED.

The Chairman: The Honourable Third Official Member responsible for Finance and Development has something further?

Hon. George A. McCarthy: I would like to move the following amendment, that the following new clause be inserted after Clause 28 (to be renumbered) - " 29. The Governor in Council may from time to time waive or reduce any or all the duties and fees specified in this Bill in relation to any person or group of persons in Cayman Brac or Little Cayman."

The Chairman: The question is that the new clause 29 do stand part of the Bill.

The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I am compelled to make an observation here. I say this to cast no aspersion, but in reading this amendment, where it says, "The Governor in Council may from time to time waive or reduce any or all the duties and fees specified in this Bill in relation to any person or group of persons in Cayman Brac or Little Cayman..." if the intent is to provide relief, as far as I am concerned, then show it. If the intent is to ensure that Executive Council has a grip on that situation and anybody involved in that situation, then say it. If it is supposed to a compromise based on a request, then it certainly puts a lot of bells ringing in my ears in regard to how it appears.

If someone is compelled to support this the way it is worded because it is better than nothing, then I can understand. But I have to say that I do not like how it is worded, and if the intent is clear, then let it be done. If it cannot be done then let it not be done, but let it not be done on the condition that I can do as I please depending on how I feel this morning, or how you act towards me.

Hon. George A. McCarthy: The First Elected Member for George Town has made a valid observation. I should have

provided some background information as to why this provision is being made. Having to deal with all of these amendments and looking at various pieces of paper, and not pre-empting this item, the Government has put in place certain initiatives as the First Elected Member for George Town is very much aware of, in order to stimulate economic development within Cayman Brac.

It is likely that some of these increases could bring some of those initiatives to a stand still. Where such is found to be the case, the Government would like to have the authority to examine these increases in consultation with the Elected Members representing the Brac, and also in consultation with the Brac Economic Committee. Where it is determined that these increases would result in any adverse condition, or any restraint on the continued development of the Brac, Executive Council is seeking for the necessary authority through this piece of legislation to be able to waive the increased which are presently being proposed.

It is for this reason: In order to be able to provide relief.

Dr. Frank McField: Mr. Chairman, I find this particular clause very bothersome. They say that the American Revolution was because of taxation without representation. But the question is: Can you have representation without taxation?

I am not saying that special conditions should not be made for the physical and economic growth of Cayman Brac, but I think to take the decision making process out of Parliament and to vest it completely in the hands of Executive Council is to politicise to an extent this particular development or process.

I am not totally stupid, and I hope that nobody thinks that I am, or thinks that my ears and eyes are not open so that I would not see that there is politics going on beyond the intention of this particular revenue measure. I think that I have to go to my constituency telling people that I agreed to do this or that, but at the same time, I do not want anyone to assume that we must not all bear the burden for the particular development. We are giving the power to make certain exceptions in certain areas.

Although I may not be articulating this properly, the fear I have is that I believe this could politicise the situation to a dangerous extent. I caution Members against this because I can almost smell a rat. I say it can go through, but one should be very careful. I think it would be best to seek the sympathy and understanding of this Parliament when it comes to dealing with these matters, rather than assuming somehow that they will best be looked after if they were, in fact, alienated from Parliament.

The Chairman: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: I find this amendment rather peculiar in that what has happened is that we in the Parliament have been called upon to exercise our good judgment and to cooperate in all of the other changes. Yet, in this particular

one, it is lifted out of the ambit of our cooperation, our intelligence and sensitivity.

I, too, can relate to the problems peculiar to the people in the Brac. I am sufficiently sensitised to give them any support which is needed to prime their economy. But I cannot sit here in good conscience and support them in a measure coming this way. What I would be doing is emasculating myself. I have never indulged in self-flagellation. I have been around too long to know that if I emasculate myself then I have no worth, no meaning, no reason to go on. So, while I see the intention, I cannot support it coming this way.

The Chairman: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: I would just like to find out if there was any time frame envisaged for the exercise of this discretion as set out in section 29.

The Chairman: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: Error! Bookmark not defined. Could I ask the Member to repeat the question?

Mrs. Julianna O'Connor-Connolly: Is there any time frame envisaged for the exercise of this discretion as set out in section 29?

Hon. George A. McCarthy: The time frame for the implementation of this provision would be within the next few weeks.

Dr. Frank McField: Mr. Chairman, I would like to ask the Honourable Third Official Member if I am hearing this correctly when he says that this will be something that will be implemented immediately. In other words, what I am trying to get to... when I decided to support the Budget, my honest summation was that somehow we were trying to do the best for the greatest number and that there was an objective, non-political, non-partisan way of sharing the burdens of taxation. Before long we got representation from the merchant associations, the Council of Associations which was able to significantly influence the position of Government to the extent that Government went to the negotiation table with them and changed certain things.

Then again, when we look we find that there is not very much that has changed with regard to the average person. I still went along. Now we are getting another concession that is being made on the back of the average person. At this particular time, sir, I would like to say that since we do not know what type of concessions will be made, and since we do not know what type of money will be involved... you are taking our power away from us as legislators.

Even in Colonial America the Governor's power was really curtailed by the fact that the Legislature had the power to raise funds, and, therefore, to decide how those funds would be distributed. But if you are going to take that

clause and ask us to vote on it, that means that we no longer have a say in terms of how funds are raised and distributed. It leaves it up to the Executive Council which we must see as a political body at any particular time because it is not, in fact, just the Governor, it is the Governor in Council.

This is where I feel that this whole Budget breaks down, terribly, for me.

Hon. George A. McCarthy: Mr. Chairman, I would just like to point out to the Fourth Elected Member for George Town that he has made certain fundamental errors in his argument.

In the first instance, I do not take this decision in an individual capacity, nor in the capacity of Financial Secretary acting solely. If the Member would have observed, before I responded to the question he raised, I consulted with the other Ministers of Government in order to reflect the position of the Government. What I have advanced is, in effect, the position of the Government on this. So when he says if either I or you are usurping the power of Parliament, I think it is necessary for the Member to observe that that is not the case.

The Chairman: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can someone confirm if there was an implied or actual restriction placed on the Fourth Elected Member for George Town from making a request as I did in my submissions?

Dr. Frank McField: I would like to answer that question, sir.

The First Elected Member for Cayman Brac and Little Cayman has abstained from voting for a lot of the measures in this Budget. The record shows that she has abstained. When it comes to something that she feels affects her, she is willing to question other people's position. I never questioned her position when she was abstaining, therefore, I do not feel that she has a right to question my motives. My position is based upon the fact that I realise that in this Parliament, what you get is because of what side you are on. That is becoming quite clear.

I have a right to voice my position because I represent people also.

The Chairman: The hour is getting late. I think it is time we move on with the business at hand.

There is a motion to add a new clause 29. This has been duly moved and debated and I shall now put the question. Those in favour please say Aye...Those against No.

AYES and NOES.

The Chairman: The Ayes have it.

Mr. Roy Bodden: Can we have a division, sir?

Clerk:

DIVISION NO. 11/97

AYES: 9

Hon. James M. Ryan
Hon. Richard H. Coles
Hon. George A. McCarthy
Hon. Thomas C. Jefferson
Hon. Truman M. Bodden
Hon. Anthony Eden
Mr. John D. Jefferson, Jr
Mrs. Julianna O'Connor-Connolly
Miss Heather D. Bodden

NOES: 1

Dr. Frank McField

Abstentions: 2

Mr. D. Kurt Tibbetts
Mr. Roy Bodden

Absent: 5

Hon. W. McKeeva Bush
Hon. John B. McLean
Mr. D. Dalmain Ebanks
Mr. Linford A. Pierson
Mrs. Edna M. Moyle

The Chairman: The result of the division is nine Ayes, one No, two Abstentions. The Motion passes.

AGREED THAT CLAUSE 29 BE ADDED TO THE BILL.

Hon. George A. McCarthy: Mr. Chairman, I would like to advise of a further amendment that has not been communicated to Members as yet.

This is under clause 28, dealing with the Schedule. The amendment is that the Schedule to the Bill be deleted.

The Chairman: The question is that the Schedule be deleted from the Bill. If there is no debate, I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: SCHEDULE DELETED FROM BILL.

Clerk: A Bill For A Law To Increase Miscellaneous Fees and Duties

The Chairman: The question is that the title do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

THE TITLE PASSED.

The Chairman: That concludes proceedings in Committee. The question is that the Bill be reported to the House. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED. THAT THE BILL BE REPORTED TO THE HOUSE.

HOUSE RESUMED AT 5. 26 PM

The Speaker: Please be seated. Report on Bill.

The Honourable Third Official Member responsible for Finance and Development .

REPORT ON BILL

THE MISCELLANEOUS PROVISIONS (FEES AND DUTIES) (TEMPORARY) BILL, 1997

Hon. George A. McCarthy: I have to report that a Bill entitled, The Miscellaneous Provisions (Fees and Duties) (Temporary) Bill, 1997, was considered by a Committee of the whole House and passed with several amendments.

I think it would be useful to share a few examples of these amendments. At the time the Bill was originally circulated, there was a Schedule attached which summarised the extent of the changes in the revenue measures. Although that Schedule has now been rescinded, I think it would be useful if we were to look at what some of the changes are. These are items as set out in the Bill, so for the benefit of this Honourable House, when I refer to the Schedule which has now been rescinded, I would be grateful if Members would recognise that I am referring to the provisions of the Bill as such.

Beginning with Item 1:

Item 1: Motor Vehicle Tax

Revenue Source	Current Rate	Proposed Amendment
Motor cars and station wagons	\$130	\$160
Rent-a-cars exceeding 2,400 cc	\$180	\$250
Motorcycles		rescinded
Mopeds and Motorcycles 125cc or less	\$25	\$50
Motorcycles over 125cc	\$25	\$200
Rent-a-motorcycles	\$50	\$200
Taxis	\$150	\$200
Exceeding 2,400 cc		rescinded
Buses		
Omnibuses		
20 passengers or less	\$180	\$250
21 to 40 passengers	\$200	\$350
over 40 passengers	\$260	\$750

It should be noted that School and Church buses will pay only 50% of the recommended rate.

Trucks		
under 1 ton	\$150	\$200
1-3 tons	\$200	\$300
4-5 tons	\$240	\$350
6-10 ton	\$300	\$400
11-15 tons		\$450
16-20 tons		\$550
over 20 ton		\$750
Trailers		
under 1 ton	\$32	\$32
1 to 2 tons	\$32	\$100
over 2 tons	\$200	\$400
Other vehicles		
Special vehicles	\$240	\$350
Hummer		\$1000
Others	\$300	\$500

Item 2: Other Tax (Motor Vehicles)

Revenue Source	Current Rate	Proposed Amended Rate
Road Code booklet	\$ 1	\$ 5
Insurance Reports - Vehicles	\$25	\$ 75
Property	\$25	\$ 75
Photographic Albums	\$25	\$100
Police Reports	\$ 1	\$ 10
Police Reports	\$25	\$ 75

Item 3: Motor Vehicle Drivers Licences

Revenue Source	Current Rate	Proposed Amendment
International permit	\$5	\$50
Provisional licence	\$10	\$25
Full licence up to Group 1-3	\$45	\$60
Taxi licence	\$25	\$40 per year
Visitor's permit	\$4	\$6
Full licence, Group 4	\$60	\$80
Additional Group 4 licence	\$15	\$25
Duplicate licence	\$10	\$20
Driving test (road)	\$25	\$50

Item 4: Motor Vehicle Licence Plates

Revenue Source	Current Rate	Proposed Amendment
Souvenir plates	\$1.50	\$8
Licence plates (per pair)	\$10	\$50
Trade plates (per quarter)		
1st pair	\$200	\$320
2nd pair	\$120	\$190
3rd and more pairs	\$ 80	\$130
Personalised licence plates (new category)		\$300

Item 5: Vehicle Inspection and Driving Fee

Revenue Source	Current Rate	Proposed Amendment
Vehicle inspection	\$10	\$20
Duplicate certificate of registration	\$10	\$20
Duplicate vehicle Licence	\$2	\$5
Transfer of ownership	\$10	\$20

Item 6: Local Vessel Licence Fee

Revenue Source	Proposed Amendment
Local boats under 18 feet	Free
Jet ski-boat used for private purposes	\$100 per annum
Jet ski-boat used for commercial purposes	\$300
Local boats and ships between 18 and 30 feet	\$150
Local boats and ships between 31 and 50 feet	\$500
Local ships over 50 feet	\$1000

Item 7: Revenue Stamps

Revenue Source	Current Rate	Proposed Amendment
Debenture	1.0%	1.5%
Charges	1.0%	split as follows
Mortgages on land up to \$300,000		1.0%
over \$300,000		1.5%
Other Mortgages		1.5%
Variation of charge	\$ 6	\$ 25
Discharge of charge	\$ 6	\$ 25
Transfer of charge	\$ 6	\$ 25
Withdrawal of caution	\$ 6	\$ 25
Power of Attorney	\$ 6	\$ 25
Any other documents	\$ 6	\$ 25
Collateral charge	\$ 10	\$ 30
Spread charge	\$ 10	\$ 30
Sales agreement	\$ 20	\$100
Assignment	\$100	\$200

Members will note that there is a footnote following this item which reads, "Abolished: 7.5% stamp duty on first owner occupied home owned by Caymanians up to a market value of \$125,000 and on land owned by Caymanians for a first owner occupied home up to a value of \$25,000."

Item 8: Land Registry Fees

Mr. Chairman, I will not read out the entire list, but I will just point out the change.

Revenue Source	Current Rate	Proposed Amendment
Inspection of Register	\$2	\$5
Uncertified copy of a Registry Map	\$2	\$5
Certified copy of Registry Map	\$4	\$10
Certified copy of Regist/instrument	\$5	\$10

There are quite a number of \$5 categories which have also increased, for example:

By Laws	\$5	\$50
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This runs through Variation of Charge which is currently \$10 and will be increased to \$50.

Rectification(new category)		\$20
Cautions	\$10	\$50
Restrictions and Removals		\$50

So, Mr. Chairman, the increases have been uniform throughout this Schedule.

Under Item 9: Environmental Protection Fee, as Members heard at Committee stage, there will now be an introduction of a \$2.00 fee for passengers departing by air and \$4.00 for passengers departing by cruise ship.

Under Item 10: Garbage Fees, there has been a 20% increase in all categories with the exception of private houses and apartments, and also the removal of animal carcasses, which is now duty free.

I should point out that all of the increases now reflected in the Schedule are based on what has been agreed upon with the members of the Council of Association, so there is general acceptance of these increases as set out in the Schedule.

Under Item 11: Law School Fees:

Revenue Source	Current Rate	Proposed Amendment
3 year Degree Course		
Caymanians and legal residents of 10 years and more	\$2,475	\$3,000
Others	\$4,500	\$7,500
Diploma in Legal Studies Programme		
Caymanians and legal residents of 10 years or over	\$1,200	\$1,500
Others	\$2,250	\$4,500
Professional Practice Course	\$1,650	\$2,000

Item 12: Building Permit Fee, is presently under discussion between the Government and the Council of Association members as to what variations should be made to the fees as set out in this item.

Under Item 13: Import Duties, I think we have gone through these in detail, but as I mentioned during Committee Stage, the various categories have been amended as follows:

Under Item 13: Import Duties

Code Number	Heading	Duty	New Duty
38.01	Items With Increases Disinfectants, insecticides, etc.	Duty Free	15%
42.01	Leather goods, exc. Footwear and furniture	Duty Free	Duty Free
24.01	Manufactured Tobacco - cigarettes	\$30 per 1,000	\$35 per 1,000
03.02	Shellfish and Crustaceans, fresh whether live or not, chilled or frozen	15%	10%
25.11	Cement	20%	20%
93.01	Ammunition (Excluding Farmers)	20%	40%
	Arms parts and accessories (Excluding Farmers)		100%
87.11	Motor vehicle parts and accessories	20%	25%
New	All Boats for local use, whether sailing from abroad under own power or not, and whether registered or not, but excluding ocean-going vessels temporarily or for short periods in the Cayman Islands under 18 feet.	Duty Free	Duty Free

	Between 18 feet and 35 feet.		5%
87.02	Over 35 feet.		
	Motor cars	27.5%	
	Up to \$20,000 c.i.f. value		27.5%
	Exceeding \$ 20, 001 c.i.f. but not \$25,000 c.i.f. value		30%
	Exceeding \$25,001 c.i.f. value but not \$30,000 c.i.f. value		35%
	Exceeding \$30,000 c.i.f. value		40%

All other users		\$100 per year
Rifle (per gun)	\$15	
Farmers		\$15 per year
All other users		\$100 per year
Hand gun (per gun)		\$100 per year
Air-gun, air rifle and air pistol	\$10	\$100 per year
Permits		
Import Permit (not including farmers)	\$ 5	\$500
Export Permit	\$5	\$10
Transfer Permit	\$5	\$100
Disposal Permit	Free	Free

Item 17: Financial Service Fees

Members will note that the proposed increases in wines and spirits as set out in sections 22.23 (Wine Coolers), 22.31 (Table Wines), 22.32 (Dessert Wines), 22.33 (Champagne), 22.34 (Other Sparkling Wines), 22.41 (Spirits unsweetened less than 50% alcohol), 22.42 (Spirits, unsweetened more than 50% alcohol), 22.43 (Spirits, sweetened including liqueurs exceeding \$4.00 per litre) have now been rescinded. So the duty on these items remains as it is.

24.02	Manufactured Tobacco, cigars	85%	100%
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Code Number	Heading	Duty	New Duty
87.05	Motorcycles	20%	
	Motorcycles up to 90 cc		30%
	Motorcycles over 90 cc		35%
27.01	Motor Gasoline	25 cents/gal	40 cents/gal

DUTY FREE ITEMS

04.03	Flavoured milk, yoghurt, ice cream	20%	Duty Free
19.99	Cereal & cereal preparations	20%	Duty Free
87.04	Vehicle to transport the Handicapped, not for commercial use	27.5%	Duty Free
9.21	Cocoa and drinking chocolate	10%	Duty Free
109.11	Tea & tea concentrates	10%	Duty Free

Item 14: Development Impact Fee, is has been removed as a category, but, as mentioned on Friday, alternative sources of revenue are being sought to compensate for the revenue being lost in this area. The Government is presently holding discussions with the Council of Associations specifically looking at what extent building permit fees can be increased in order to yield the revenue being sought under this item.

Under Item 15: Immigration Fees, there have been no changes to this Item. This relates to permanent residency, and not to work permit application fees.

Under Item 16: Firearms Licences, looking at some of the amended items:

Revenue Source	Current Rate	Proposed Amendment
Shot gun (Now placed in two categories)	\$15	
Farmers		\$15 per year

Revenue Source	Current Rate	Proposed Amendment
Banks		
Class A	\$42,000	\$80,000
Class B	\$12,600	\$15,000
Class B (Restricted)	\$ 6,000	\$10,000
Trusts		
Unrestricted	\$12,600	\$15,000
Restricted	\$1,260	unchanged
Nominee Trust Licence	\$1,000	\$1,100
Mutual Funds		
Administrator	\$5,000	\$8,000
Administrator (Restricted)	\$2,000	\$3,000
Administrator (Exemption)	\$ 200	\$1,000
Funds all categories	\$ 500	\$ 700
Insurance		
Insurance Mangers	\$7,500	\$10,000
Class A	\$5,000	\$7,500
Class B (unrestricted)	\$4,500	\$5,000
Brokers	\$1,200	\$1,800
Agents	\$ 150	\$ 225
Sub-agents	\$ 75	\$ 120
Company Management		
Company Manager	\$300 + \$10 per co.	\$500 +\$15 per co.
Exemption from Co. Mgmt Lic.	\$ 500	\$1,000

Mr. Speaker, I should state that for existing financial institutions, the fees become effective as of January 1998. For new financial institutions, the fees become effective immediately.

The very last items, Item 18 (which has to do with the abolition of the Bicycle Tax), and Item 19 (the annual Dog Licence fee) have been abolished. The Boat Tax has also been abolished. I think that covers the Schedule.

As Members are aware, the package as initially presented would have raised \$14 million. Due to these amendments, this amount will be decreased. As the Honourable Minister for Education, Aviation and Planning pointed out, to the extent that there is a reduction in the amount realised from these new measures will be dealt with through an increase to the Loan Bill presently before this Honourable House.

Thank you, Mr. Speaker.

The Speaker: The Bill is accordingly set down for Third Reading.

Hon. George A. McCarthy: Mr. Speaker, if you will permit me to interrupt you, sir. I wanted to point out one further amendment. In order to ensure that the measures that have been put in place to stimulate the ongoing economic development in Cayman Brac maintain their impetus, the Government has sought, through an amendment, to vary, where necessary, the increases as set out in this Bill in

relation to Cayman Brac and Little Cayman, but Cayman Brac more specifically.

We have seen stimulation in the economic activities covering a wide range of areas in the Brac. The Government would like this to continue and to this extent, anything which would prevent that growth by way of these new measures, the Government is seeking through an amendment to this Bill to have the necessary authorisation to waive such fees.

Thank you, Mr. Speaker.

SUSPENSION OF STANDING ORDERS 10 (3) & (4)

The Speaker: Thank you.

Before I move the Third Reading, out of an abundance of caution, I would like to suspend (under Standing Order 83) Standing Order 10(3) and (4) as we have gone after 4.30 PM. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: STANDING ORDER 10(3) AND (4) SUSPENDED.

THIRD READING

THE MISCELLANEOUS PROVISIONS (FEES AND DUTIES) (TEMPORARY) BILL, 1997

Clerk: The Miscellaneous Provisions (Fees and Duties) (Temporary) Bill, 1997.

Hon. George A. McCarthy: I beg that a Bill entitled The Miscellaneous Provisions (Fees and Duties) (Temporary) Bill, 1997, be given a third reading and passed.

The Speaker: The question is that The Miscellaneous Provisions (Fees and Duties) (Temporary) Bill, 1997, be given a third reading and passed. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

Mr. Roy Bodden: Mr. Speaker, may I have a division please?

The Speaker: Certainly.

Clerk:

DIVISION NO. 12/97

AYES: 9

Hon. James M. Ryan
Hon. Thomas C. Jefferson

NOES: 0

Hon. George A. McCarthy
Hon. Thomas C. Jefferson
Hon. Truman M. Bodden
Hon. Anthony Eden
Mr. John D. Jefferson, Jr
Mrs. Julianna O'Connor-Connolly
Miss Heather D. Bodden

Abstentions: 4

Mr. D. Kurt Tibbetts
Dr. Frank McField
Mr. Roy Bodden
Mrs. Edna Moyle

Absent: 4

Hon. W. McKeever Bush
Hon. John B. McLean
Mr. D. Dalmain Ebanks
Mr. Linford A. Pierson

The Speaker: The result of the Division is nine Ayes and four Abstentions. The Bill has been passed.

AGREED: THE MISCELLANEOUS PROVISIONS (FEES AND DUTIES) (TEMPORARY) BILL, 1997, GIVEN A THIRD READING AND PASSED.

The Speaker: I will entertain a motion for the adjournment.

ADJOURNMENT

Hon. Truman M. Bodden: Mr. Speaker, I am very happy to move the adjournment of this Honourable House until 10 o'clock Wednesday morning, 2nd April.

I would like to thank you, sir, and Honourable Members for their patience. This has been one of the longest Committee stages on any Bill. I wish everyone a good Easter.

The Speaker: Before I put the question, I would also like to thank Honourable Members for their patience, and I would like to wish all Members and their families, and the Clerk and her entire staff a very happy Easter.

The question is that the House do now adjourn until Wednesday morning, 2nd April, 1997, at 10 o'clock. I shall put the question. Those in favour please say Aye... Those against No.

AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned.

AT 6.04 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM WEDNESDAY, 2ND APRIL, 1997.

**EDITED
WEDNESDAY
2ND APRIL, 1997
10.50 AM**

The Speaker: I will ask the Third Elected Member for Bodden Town to say prayers.

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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

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

The Speaker: Please be seated. Proceedings are resumed.

We are honoured to have with us this morning Mr. John F. Kelley, a former state senator from the state of Michigan, and lecturer at Oakland University. Welcome.

GOVERNMENT BUSINESS

The Speaker: Government Business, continuation of the debate on the 1997 Throne Speech delivered by His Excellency Mr. John Owen, MBE, Governor of the Cayman Islands, on Friday, 7th of March, 1997; and Budget Address

delivered by the Honourable Third Official Member, Financial Secretary, on Wednesday, 12th March, 1997.

The Third Elected Member for West Bay, continuing.

**DEBATE ON THE 1997 THRONE SPEECH DELIVERED
BY HIS EXCELLENCY MR. JOHN OWEN, MBE, GOV-
ERNOR OF THE CAYMAN ISLANDS, ON FRIDAY, 7TH
OF MARCH, 1997;**

-and-

**BUDGET ADDRESS DELIVERED BY THE HON THIRD
OFFICIAL MEMBER, FINANCIAL SECRETARY, ON
WEDNESDAY, 12TH MARCH, 1997**

(Continuation of debate thereon)

(10.53 AM)

Mr. John D. Jefferson, Jr: Thank you, Mr. Speaker.

It has been two weeks since I kicked off my debate on the Budget Address and the Throne Speech, and much has happened since. I was dealing with Northward Prison.

I am pleased to see that there is money in the Budget for additional classrooms for prisoners at Northward. I am amazed at the results that I have heard about in regard to the accomplishments of some of the inmates. Many have sat the GCE's while serving in prison. Many have gone on to get their high school equivalency diplomas. Others intend, upon release, to further their education as a result of their educational experiences at Northward Prison. That speaks well for the commitment of the persons in charge of the educational programme, as well as the support they have received from the Ministry.

I believe that one of the major reasons our young people find themselves behind bars is because of their lack of academic success while on the outside. I believe that once an individual's education is improved it makes a difference on their perspective of life.

One of my concerns has always been that our young Caymanians who are unfortunate enough to have been in prison, have a very difficult time upon release finding employment. As a result, many of them drift right back into their former way of life, and before they know it they are right back in Northward Prison. I am pleased to know that Government will put in place a job assistance programme for the prisoners.

I envisage that the job coordinator will know who is being released and when, and will go out and deal with the private sector, as well as within Government, and find employment for those persons. I believe that it is a real problem area and something that we need to immediately address. On the other hand, I believe that if Government wants the private sector to provide employment for some of these people, then Government itself has to have an open

policy and an open mind in regard to employing some of the ex-inmates.

I know that at present quite a few of them are employed by the Environmental Department, and maybe even the Public Works Department; but there are a lot more jobs needed for those who are still to be released. I applaud the Government on this programme, it is something that this Government, as well as the 1988 - 1992 Government, talked about. I think it is a step in the right direction.

Another thing I think we could do, and I discussed this with the former Governor and he was keen on the idea, is to organise work parties for our prisoners and have them clean the public beaches and maybe keep the roadsides clean. I think with the skills available at the prison, we could have a maintenance programme, where the prisoners would care for public buildings. I believe that the inmates would welcome the opportunity to be released during the day, being involved in assignments of responsibility. At the end of the day it would be easy to arrange transportation back to the prison for the evening.

I believe that we have to come up with creative programmes and ideas in dealing with the problem of prisons in this country. Too large a percentage of our young people find themselves behind bars.

I am aware that in North Carolina, the Governor's mansion is completely supported by the prison population. They attend as gardeners, chefs and in all of the other services required. Because of the skills many of the prisoners pick up while being behind bars and while being involved in this type of programme (especially the chefs), I understand that the large hotels in that area are just waiting for them to be released. The prisoners have no problem finding employment upon release.

In regard to the environment, and I have heard more than one person mention it, we have a serious problem at present. I am not just talking about the marine environment, but the environment that we occupy here in Grand Cayman. The roadsides are filthy. There is no reason for that. I could understand if the Finance Committee were not voting money for the personnel to carry out that responsibility. But that is not the case.

Many of my constituents come to me, asking what is going on. Our district is so filthy at the present time and it does not seem to be getting any better. What really angered me was the television report I recently saw in regard to the litter problem in the Barkers area. That area was completely cleaned up. Some large garbage containers were put in West Bay, giving people with large, bulky items a way to dispose of those items. The problem was that the Environmental Health Department did not pay attention to the problem on a daily basis in regard to pick-ups. So that area became as filthy as the Barkers area was. They had to close that, but they did not provide an alternative.

The Boatswain Bay Cemetery is a perfect example of what I am talking about. The Environmental Health Department has employed a lady to keep that cemetery. She keeps the place immaculate. We tried the same suggestion in regard to the central cemetery in West Bay. I invited the Acting Chief of Environmental Health and his assistant to

meet me at the West Bay Cemetery so that they could see first hand the state of the cemetery. I was amazed when they told me that Government is only responsible for keeping one side of that cemetery. The other side is the responsibility of individuals who have loved ones buried there. If we are going to keep the cemetery clean using staff from the Environmental Health Department, they should keep the whole cemetery clean.

Perhaps there are private plots that are fenced in. Leave them alone. But I am really embarrassed over the conditions of the cemeteries in my district. This could be easily dealt with by employing two people within the district who would be solely responsible to inspect the cemeteries on a daily basis, ensuring that the weeds and old flowers are removed, and that they are kept clean. But the department seems to have a problem co-ordinating those efforts.

I have travelled far and wide, and I am amazed at how clean some of the places I have visited are. The country that comes to my mind is Canada. You could virtually eat off of the sidewalks they are so clean. There must be a reason for their level of success. I believe that we have to get tough here in the Cayman Islands. I have heard it talked about ever since I became a MLA in 1988, where they were going to revise the Laws and put some teeth into them, whereby Environmental Health Officers could issue tickets for littering. But, so far, nothing has happened. We continue to be faced with the problem of litter in this country.

I believe that we have to start at the head of the Department. When we are looking for someone to fill that position, it must be from a jurisdiction that values the environment, knows something about it and has the experience to implement a proper programme. It appears that we go out and employ cheap labour in these areas in order to do the job. It is not working.

We had a very good Environmental Officer in my district, who did a good job. He has a personal interest in the community and was there on a daily basis making sure that things were in order. Those people who were assigned to keep the district were doing what they were supposed to do. They moved him and put him in charge of the inspection of hotels and restaurants, I understand, and the officer who replaced him was never seen. The only time we can find him is if we call him. Otherwise he is off doing his own thing.

That is not good enough for us. I believe that it is time we addressed the problem and put some teeth into our Laws where stiff fines can be handed out. It is amazing how irresponsible some of our people are. They will drink soda from a can and when it is finished, they will drop it by the roadside rather than finding a proper garbage bin to dispose of it.

I believe that we need somebody at the top with the ability to co-ordinate these efforts on a district by district basis. As I understand, they have one crew that might be in East End on Monday, North Side on Tuesday, Bodden Town on Wednesday, George Town on Thursday, and they might get to West Bay by Friday. By the time they get back to the first district, the condition is as bad, or worse,

than what they first found. I do not believe that system can work. I believe that we have to have people assigned on a district basis with an Environmental Officer who will see to it that these people we pay will do what they are supposed to do on a daily basis.

I must say that I am pleased that the Minister cannot be faulted. I believe that he has done as much as he can with respect to providing the equipment and facilities the department needs. We even have provisions in this Budget for two additional garbage trucks in order to attempt to improve the situation. But it is a problem which has to be addressed quickly.

With respect to our marine environment, I am very pleased to see that Government has introduced an environmental fee that will be added to the travel tax upon departure. I believe that the decision to establish our marine parks was a good one, but I believe that our marine parks have to be patrolled and monitored on a 24 hour basis. I understand that one of the requirements for employment in that area is that you have your own boat. This is not good enough. I believe that there has to be a proper budget. The marine environment section has to have its own facilities and must find people to run those boats to monitor the marine parks.

I get calls at 6.00 am from people saying that someone tried to sell conch they took from the marine parks, which they took very early in the morning when they know that no one is around. They poach lobster and conch and maybe even the fish in this area.

We need some stiffer penalties. I know they are pretty stiff at present, but we have to get the message across that we will not tolerate any abuse of our marine parks. When I was a boy, the only problem we had in the North Sound was deciding what lobster to take and how many conchs we wanted. There was no shortage of either one in the North Sound, or Grand Cayman period. But that is no longer the case. I believe that the only area where we now have some semblance of replenishment in regard to lobster and conch is in the marine park areas.

We must recognise that our environment is one of the biggest attractions we have in this country. Many people come here on a regular basis to visit our beaches and waters. We must ensure that these natural resources are protected at all costs so that our children and grandchildren can enjoy them as well.

The other thing which I think poses a real danger to our marine environment is the number of boats or divers we allow in the dive sites, or areas such as Stingray City. It is not unusual to have as many as 100 to 150 boats a day, with probably 20 or 25 people each, visiting those areas. It has to have an adverse effect over a period of time on the marine life in those areas. I believe that we need to start monitoring it, and maybe place a limit on the number of boats and visitors we allow in those areas on a daily basis. I trust that we will address these issues and do whatever is necessary to clean up the present situation.

Immigration: I want to say that the new Chief Immigration Officer, who is a Caymanian, is doing a good job. I am proud of the fact that he is a Caymanian. But I think that

(and we can't blame the Immigration Department too much for this) we need to give some directives to the Immigration Board in regard to immigrants from certain destinations. One of the destinations I have been informed that we have a problem with is Honduras.

At about 4 o'clock in the afternoon I see these little girls going down to the restaurants in these outfits.... Mr. Speaker, you do not have to have much of an imagination to know what those girls are there for, I am afraid to say it is legalised prostitution. A lot of our local Caymanians are having family problems as a result of this influx of people here on work permits. They only have one objective in mind—getting whatever they need to get regardless of how they get it, including destroying Caymanian families.

I know that the new Chief Immigration Officer is working on this in regard to extensions. We need to do something about extensions. When we go to the United States, they ask how long we are going to be there. We tell them, two days or a week, and they stamp the time in our passports. I have never once gone down to the Immigration Department and asked for an extension. The Fourth Elected Member for George Town says that he has, but I have never done it. I believe that when I go there, I know why I am going and how long I am going to be there. Once the time is up (and many times it is before the allotted time), I leave the country.

Many people who are visiting us at present are only coming here for one reason, that is to find employment. I know that the new Chief is working on a policy to reduce the volume of people coming here for that purpose, but it is (should I say?) annoying to go to the Immigration Department to get anything done because the place is packed with foreign nationals seeking extensions.

I believe that upon arrival, they need to state exactly who they are coming to see, how long they will be here, and the Immigration Department should give them that amount of time - one week, two weeks - based upon some evidence of means of support while they are here. We definitely have to improve the situation in that area at the Immigration Department.

When I talk about Hondurans, there are two types: There are the Spanish Hondurans, and the Bay Islands people. Many of them are originally from the Cayman Islands who went there for the purpose of seeking employment. They are totally different from the typical immigrant from the Spanish parts, such as La Ceiba and all the others in that area.

I am also pleased to see that there are plans in the works to establish a new Trades and Business Licensing Board to enable proper attention to applications for licences. At present, with the level of business the Immigration Department deals with, it is impossible to do a thorough research to ensure that a right decision is made. I believe that by establishing a new Board to deal specifically with the business environment is a step in the right direction. All that has to be done is to ensure that someone sits on both Boards, that is the Immigration and Trade and Business Licensing Board. When that Board is created, we will also be in a position to closely monitor the areas

where Members of this House have agreed should be specifically restricted to Caymanians, such as water sports, among others. There is a definite need for this to be done.

I am also pleased to see the level of work going on in my district of West Bay. Pretty soon we will have our new health clinic completed. The roof is on and it is plastered. It's just a matter of finishing up the inside and painting it. I envisage that within a couple of months that will be operational for the people of West Bay. It is something that the people have wanted for a very long time and is very badly needed. The Minister has mentioned that doctors will be specifically designated to staff that clinic. We will then be in a position to provide 24 hour health care for the residents of the district.

Another thing which we need in connection with that is an ambulance parked right next to the clinic to deal with emergencies in the district. West Bay is one of the largest districts and putting an ambulance there full time is justified.

Soon we will have the official opening of the public beach in our district. I believe that the contractor has done an excellent job in regard to completing it. We have somebody employed full time to ensure that it is kept clean. I believe the Minister for Tourism has plans to officially open that little public beach in the very near future.

One of the things that will be associated with that public beach, and we already have the land for it, is a proper car park so that residents who wish to enjoy this facility have a place to park their cars off the road.

There are also plans for an assembly hall for the West Bay Primary School. I recently attended two functions at the John A. Cumber Primary School. They attempted to hold it in the open air and it was not very good. There is no proper PA system and it was very difficult and not conducive to those types of programmes. So the school needs a proper assembly hall where they can have their devotions and also be in a position to host other special functions.

It has also been realised that we need a new primary school in the district of West Bay because of the increase in the student population there. The John A. Cumber Primary School is at its maximum as far as accommodation. Government is now in the process of identifying a piece of property that is large enough for this purpose and once that is done, funds will be budgeted and we will get on with our new primary school for the district of West Bay.

There is also a provision in the Budget for a new jetty in the district. I understand that it is going to be located near to where the old market was. It is an area where people in boats will be able to land their passengers, and maybe even to dock there. In other words, it will provide a convenience for our fishermen and boat operators in the district.

We also have provision for additional road work in the district. I must say that the National Team Government has done much in the area of roads in all of the major districts. Certainly, West Bay has received its fair share, but there are still additional roads that need to be redone. There are funds in the budget for that this year.

I believe that we have a lot to be thankful for. The people should be thankful that they have a Government that cares and is prepared to provide the needed services and facilities.

In regard to the state of the public finances, at year end 1996...

The Chairman: I wonder if this might be a convenient time to take the morning break?

Mr. John D. Jefferson, Jr: Yes, sir.

The Speaker: Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 11.27 AM

PROCEEDINGS RESUMED AT 12.19 PM

The Speaker: Please be seated. The Third Elected Member for West Bay, continuing.

Mr. John D. Jefferson, Jr: Thank you, Mr. Speaker.

When we took the break, I was about to deal with the state of public finances. I am very pleased that at the end of 1996 the Government had \$7.6 million in General Reserves. The National Team Government has undertaken to make a Budget provision to put at least \$2 million on an annual basis into General Reserves. In this year's Budget, I think the amount is \$1 million because of the contribution the Government made toward the public pension fund.

The objective is to get the fund up to the level where it is in line with three months of recurrent expenditure. I believe that is a very wise policy, and one that I support. We have to be responsible and put something away for the lean years that might come in the future.

The Government has also been responsible in regard to funding the Public Service Pension Fund. At the end of December 1996, it had \$21.9 million in that fund. In this year's budget they were adding another \$2.6 million. That is in addition to the 10% of salaries which are made on a monthly basis to the fund, that is, 6% from Government and 4% from the public servants. It is important for us to fund the Public Service Pension Fund because after one dedicates 30 or 35 years of their life to the public service they should be guaranteed that at the end of the day they will get their pension, which they have earned over the years.

Between 1993-96, total repayment of central Government public debt and self-financing debt amounted to \$40.5 million, as well as a portion of the debt for statutory authorities. This speaks well of the Government because anybody can incur debt, but we have to be responsible enough to ensure that those debts are properly serviced. I add that these debts were not debts that were incurred by the present Government, that is the 1992 to 1996 Government, nor the present Government.

The total public debt rose to \$66.7 million. Of this total, a sum of approximately \$50 million was central Government debt and the remainder was for the statutory au-

thorities. This is an area I have always had a concern over. I believe that one of the key elements of our success has been that we have been very prudent over the years with regard to public borrowing. We have remained independent of the authorities out there who would lend money, such as IMF, who, after the borrower gets into trouble, dictates what the borrower must do. I believe it is important for us to continue the policy of prudence in the area of borrowing.

Repayment of public debt amounts to about 4.5% of recurrent revenue. That is very conservative, because the benchmark is a maximum of 10%. So this Government is doing well in managing the public funds. I believe that the people of this country appreciate what is being done.

In summary to the 1997 Budget, I must say what a difference a decade or two makes! Back in 1974 when I was with Government working as a Budget Officer, the budget for that year was in the region of \$14 million. The 1997 Budget is \$254 million. We may say that it speaks well of the country, that it is expanding and that type of thing, but I have a sincere, genuine concern with regard to the growth of our Civil Service. I must applaud His Excellency the Governor for introducing the Reinvention of Government, but at the end of the day, if that exercise does not do something in regard to the reduction of the size of the Civil Service, to me it would have been a total waste of time.

If we are not very careful, I see the day coming when every penny that we bring in by way of revenue will be used to fund the Civil Service and we will not be in a position to do any capital projects without borrowings. That concerns me because I believe that when we reach that time in our history, we will be on the road that so many of our neighbours have gone down which has led to their demise. I must say that our present Financial Secretary and our former Financial Secretary and the Governments of the day have been vigilant in regard to public spending, but we have to address the issue of the size of the Civil Service.

I believe that greater emphasis has to be placed on training of our people. Not only training, but cross training. If someone is employed as a receptionist, they should be able to do other things beside fixing a cup of coffee and answer the telephone. They have to be cross trained in other areas in order to reduce the demand for labour. What we need is a very dynamic, very efficient Civil Service that we can afford to pay very well. But, with the number we have at present, that is impossible.

There is a provision of \$6 million in this budget for Civil Service salary increase. But I would like to have been in a position to have offered \$10 or \$12 million; or to make the size of the Civil Service such where \$6 million would be meaningful, rather than having someone with just a \$50 increase out of that \$6 million. I believe that we have to take a proper look at the size of the Civil Service.

When I talk about reducing the size of the Civil Service, I believe that we cannot have what we had some time ago, where the cuts were only made at the bottom, the hourly paid people. That did not save a whole lot. It must be across the board. I believe that it can be done in such a

way that it will be as painless as possible as far as our people are concerned. When we walk through the offices, we don't recognise half of the people anyway. I believe that if we go through this exercise prudently, that we can accomplish what we want, but at the end of the day there will not be a lot of our people losing their jobs in the process. I do not know how it is going to be done, but I know that it has to be done because the size of the Civil Service has really gotten too big.

With the exception of the recurrent side of it (I don't know how much we can do in that area as far as cuts), the 1997 Budget (in regard to the capital projects) made provision for projects that were already started and in the process of being completed, or those projects that were in the pipeline for some time that could no longer be delayed. It concerns me. Nobody wants to hear about revenue measures. I am the last to think or talk about it, but I personally believe that the present Government had no alternative but to look at new sources for revenue in order to attempt to fund the 1997 Budget.

I am not getting back into the new revenue measures of the tax Bill, but I want to say that there was a great uproar organised by the associations and merchants. When we look at what Government adds to the cost of living in respect to import duties, for example, as opposed to what the cost of those goods are when they are passed on to the consumer, the real culprits in this whole process are the merchants.

We did a little costing on this. We were told that a sack of cement, for example, landed here costs about \$2.88. I understand that at the present time it is sold for \$6.25. That is over 100% on the mark up. This country has many needs and many demands. It is going to be necessary for all of us to make a little sacrifice in order to ensure that everybody is accommodated.

The cost of living keeps going up, but wages have not kept pace. I know that the Minister is in the process of completing an exercise in this area, and I applaud him for that, but something has to be done with regard to wages keeping pace with the cost of living in this country. When we get a situation where people have been in a job for ten years and they are only making \$3.50 per hour, that is ridiculous. These are areas that employ a lot of our Caymanian people, especially in the hotel/condo industry where we also have restaurants. Many of our people are employed in this area. They must be able to earn a decent income to support themselves and their families.

I trust that when the Minister brings legislation in this area that the merchants will once again come forward and be prepared to give a little. All take and no give is not going to work for very long in this country. It appears that as long as you do not touch them, and we let them do what they want to do, then everything will be all right. Government must find money from somewhere else in order to provide the goods and services this country needs.

I have said since 1988, and I know that on an individual basis they have done something, but the hotels and condos should be able to do a joint venture with Government on an annual basis to put a budget together for the

promotion of this country. What most of them do is sit back and allow Government to spend money, by way of advertising and promotion, and then they reap the benefits of those dollars - public money - spent. The time has come for the private sector to do more in that area to carry their fair share of the responsibility.

I also believe that the way Government arrived at the revenue measures they introduces was very fair. As part of the exercise we looked at the goods and services that were in the heaviest demand and decided not to touch them, because that is what the average person consumes. There was a big article in the newspaper after the revenue measures were introduced about a bottle of Dom Perignon. I don't even know what it is, because I don't drink it. But when we did the research, we determined that a bottle landed here, cost in the region of \$47.50. That is being sold for \$200, \$300 and as much as \$500 a bottle. Now, if the merchants were not so greedy, then we would not have the problem we have in this county in regard to the cost of living.

I do not have any special interest groups. I was elected by the average Caymanian. Those are the people I have concern for and a responsibility to, ensuring that their welfare is considered. But we have done well to a certain extent, as far as working together in a partnership to provide those things that we need in this country. I do believe, though, that we have learned one very important lesson from this whole exercise that is communication. I believe that the approach the Government has to take from here on in is to sit down with the private sector, especially those people who are going to be affected by whatever measures are going to be introduced, and discuss what might be the best solution to the present problem. I believe that is the way for the future. But the merchants must be prepared to give as well as take.

I am very concerned with what I see happening in regard to Government's expenditure, not that we are spending it frivolously, but there is so much of a demand on those dollars that are brought in. We have to look for new ways and new means of cutting expenses, or increasing the revenue to provide for the funding of the Civil Service and those projects that we all need in our districts.

I believe that the 1997 Budget presented by the Government is good. We have spent a lot of time determining what could be cut and what must move forward, and I believe that those projects in there are projects which the public has been after us to complete for a very long time.

One of the major projects is the new hospital. There has been so much controversy in regard to that hospital - it could not be built on the present site, and all kinds of nonsense. Now, within a year, the Cayman Islands will have a first class health facility on the present site. But that costs money. It is something that is being built for all of the residents in this country. We must all be prepared to share the cost of providing these services.

Thank you.

The Speaker: Proceedings are suspended until 2.15 PM

PROCEEDINGS SUSPENDED AT 12.42 PM

PROCEEDINGS RESUMED AT 2.26 PM

The Speaker: Please be seated.

The Fourth Elected Member for George Town.

Dr. Frank McField: I rise to give my contribution to the debate on the Throne Speech delivered by His Excellency the Governor, Mr. John Owen, and to make some brief comments in regard to the Budget Address delivered by the Honourable Financial Secretary.

I would like to pay attention to something which was said by Mr. Owen that I have been saying for a very long time. He said, "**So called progress is only true progress, if such developments do not conflict with the values which sustained our nation in the past.**" Over the last few weeks I have tried to come to an understanding of what my purpose is here in this Legislative Assembly. I have tried to come to an understanding of what Government is in these islands, and what the purpose of Government is overall.

I have concluded that my purpose in this Legislative Assembly is to uphold humanity, our common concept of ourselves as human beings, and that, in fact, the purpose of Government is to maintain that humanity. Business can be there to make profit, but it is certainly not there to uphold humanity, although it might help other institutions in upholding our concept of ourselves as more than animals.

There is much talk of who we are, what we are and where we are going. But not even the Governor himself in his Throne Speech made an attempt to give us some kind of understanding of who we are. Perhaps this is a result of the fact that not many of us have made this a preoccupation. Not many of us have meditated on who we are; not many of us understand or accept that it is necessary to understand who we are before we can know where we are going.

There has been much talk in this country about planning. But if you do not know who you are planning for, you cannot plan. You must first arrive at some type of definition of who it is that you are planning for. So, I would like to begin my debate by making some kind of consideration as to who I am talking about. I understand that in this country today there are different groups, interest groups, nationality groups, cultural groups and linguistic groups. But the real group that I am here to represent, the real group this Government is for, is the group which we define as "Caymanians."

Now, Mr. Speaker, Caymanians are a mixed bag of people, but they have certain things in common where, regardless of whether or not you meet them on the streets of Holland, or New York, you recognise them as being specifically from the Cayman Islands. What they have in common is a sense of humanity which outstrips that held by some of the most developed countries in the world. I believe that the sense of humanity possessed by the Caymanian is unequal to any sense of humanity in this world.

I have studied philosophy. I have meditated on these questions. I have read the Greeks. I have read the Germans and the English. I have read the French; but I got no sense of humanity from all of their poets and all of their philosophers like I can get from the little old lady in East End, or the little old man in West Bay.

They talk about their "caboose," they talk about sharing and caring. That is exactly what I am going to talk about—I am going to talk about our concept of sharing and caring and how it is related to the core of what we are here to preserve, which is, the concept of our commonality, the concept of our nation. If we destroy the fabrics of our society, if we destroy what we have in common—this humanity—then we will be stripped of what it is that makes us alike in some form or another.

Whether or not we come from West Bay and have a light complexion, or we come from George Town and have a dark complexion, we have something greater in common. It is not in the biology, but in our way of life. It is how we feel about the little old lady who cannot cross the road that makes us similar; it is how we feel about the person who has been taken down by drugs. It is how we feel about the woman who has had too many children and cannot really manage to support them. It is how we feel about one another; it is our inability to say 'no' to one another when it comes to the survival of the other.

When it comes to the survival of the other, we are willing to inconvenience ourselves in order to preserve that common concept of humanity which is being forgotten in this country by people such as the members of the Chamber of Commerce.

One of the reasons I felt impelled to defend a lot of the principles of the National Team Government was because I felt that in some way they came to the people with a sense of what we were and what we should continue to remain. Once you take away this humanity, simply because of a concern for profits and gain, we will never be able to retain it again.

The people who settled these islands were different. They did not keep any records, and sometimes I wonder (as a kind of social historian) why it is so difficult to find out things about the people of the Cayman Islands - where we actually came from, who came first and how we actually developed. But I believe that some of the people who settled here were dissatisfied with the concept of humanity as it was practised in other parts of the world, including the United Kingdom.

I believe that the English and Irish settlers who came here—although they did get involved in what they said was the tradition, which was the institution of slavery—never developed the tradition of slavery in this island to the extent it was developed in other parts of the Caribbean and the world. It was because of their concept of humanity. Even when they were dealing with one of the most brutal and cruel institutions, their humanity came forward and produced new results. Therefore, today we praise ourselves for being a country of people tolerant toward people of other races and nationalities.

We should not be fooled into thinking that Caymanians of 20, 30 or 100 years ago were stupid just people because we cannot find fine works of art or paintings, or poets or all the things we find in the so-called sophisticated countries that are lacking in humanity. We did not have to pretend and put it in special places, we distributed it equally among ourselves. We were looking for the beautiful picture in the society in which we lived, and we were not going to put it in somebody's private living room. It was not for any king or queen, it was for the common man.

I believe that the Caymanian heritage is this heritage. Although it has not been expounded upon in any philosophy, it has been expounded upon in the greatest philosophical hall, which is, life itself. So, if I can come to you, Mr. Speaker, and you can come to me, and we have something in common, which is that we respect each other's humanity, then we will have achieved something which is the greatest of all things that can be achieved.

When Christianity came to this country, or when the religious institutions began to move into the Cayman Islands back in the 1830s and 1840s, the Caymanian people were seen to not have any specific religious instruction. But we took to it just like we had taken to the boats because Christianity was not in conflict with our values. In fact, our values were very Christian because we were very sharing and very caring. These are the same values people today mock and call 'socialist' values in this country. They confuse our value system with the value system of people who went through a system of perversion.

There is a difference between caring and sharing, and socialism. There is a big difference! Anyone who has studied knows that there is a big difference. I will not be able to forget my mamma and my daddy. Regardless of where I go in this world, I will remember my sweet home, the Cayman Islands. It is special. It offers me a sense of security and comfort that I can achieve in no other place in the world.

Other people did notice this in me. Even when I travelled and studied abroad, people would make comments such as, "You're different." What was it that was different about me? They felt that I was a little bit more open, more honest, less aggressive. I was anxious about learning, and I did not set up barriers between me and other people. I went to people freely.

After being away for a while, one learns how to set up barriers and how to make distinctions and how to go into situations presuming the bad is going to be there rather than the good. But I am saying that the Cayman Islands that I grew up in (up until 1964, when I left this country) made me a sharing, caring person; a person who would be broken if forced to be selfish, or to only consider myself. That was the personality that was created, that was the humanity.

I am using myself as an example, but everybody in this island was like that. That is the reason why we did not need the jails. Everybody was in compliance with the rules and regulations that were made by the community. We did not have to go to the Parliament to make these rules, we could make them by talking to one another. We had lots of

time to talk to one another and to discuss what was right and what was wrong. I am ultimately trying to paint a picture of what this identity is and how it is in conflict with the new identity that is being imposed upon us because of rapid economical development.

If we asked somebody today whether they preferred this kind of life or the old kind of life, a lot of people would probably say the old kind of life. I know that I cheat in that sense because if I had not been living this life, I could not comment on the other life - the life before the tourists came, before the banks, before the greed came, and the life before thinking only about ourselves came. Because we have been able to experience both of these lives, we can say that the one before was better. But if we were caught back then, with the mosquitoes and the hardships, we would say that this life was better.

There is something about the human being that causes us to always want to be something other than what we really are at that particular time. In other words, when we have development, we would like to not be so developed. But when we don't have the development, we want it. This is nothing unique. This is what human nature is like. The human being is always dissatisfied with his state. If he were not, he would not move forward. There would be no progress. He would stay in the same place. There would not have been any sin in the world, because Eve would not have tempted Adam to change.

But we are all today in the dynamics of change. Although we cannot say 'no change', we can say 'managed change.' We must manage change in such a way that it does not destroy the wealth of this nation, which is the humanity of this nation. It is something which cannot be copied someplace else in this world. It is worthwhile preserving this gold of the Cayman Islands, this specialness that the tourists came to see and commune with; this specialness that the managers in the hotels now say, "Stop talking." "You people talk too much. All Caymanians do is talk. Stop talking and do some work. "You move too slow, you're not good enough." These are the same people who were such great people a short time ago. These were the same people who some are saying are not good enough to work in the hotels or the duty free shops, that everybody loved (just like I loved them) because they loved the humanity and unselfish nature of the Caymanian.

The Caymanian would stop what he was doing and sit and talk with you a while because you were visiting. The Caymanian would welcome you into his home and into his country and say that there was no division between you and him. He would say, "what I have, you can have." Now, today, somehow things are not well. Somehow people are saying that we are not good enough, not fast enough, not efficient enough, not educated enough; that we are not worldly enough, not greedy enough; that we don't know what business is or what tourism is; that we don't know anything anymore in our own country. Why is that, when we knew it all before?

We knew it so well before that we defended a humanity that no other country in the world had defended. So how

come we now know nothing, if we knew that all before? We knew it then, and we still know it!

What has happened is that the greatness of all countries is the envy of those who do not have. They do not come for anything other than to take. Therefore, they are not going to tell you that you had achieved a level of humanity that was greater than they had achieved - although you might not speak the English that they do, although you might not paint the pictures they do. They will not tell you that you have outstripped their concept of humanity and their ability to distribute that humanity among the members of their state, the people with whom you share a common covenant. These are the people called Caymanians and they do exist, and they will continue to exist.

It is time that we realised that this state must be charged with the responsibility of protecting that specialness until the bitter end. I hope that the people who are listening to me tonight realise exactly what the voice is calling for - it is calling for the re-birth of our humanity in this country. But we are not going to be able to do that if we have the Chamber of Commerce telling us what to do.

Some Hon. Members: Hear, hear!

Dr. Frank McField: We have had to make a decision and for a whole week I have been searching my soul to find the right words to say, because it is not my intention to offend those who have come to this country and invested in improving the standard of living for the majority of the people in this country. It is not my intention to offend them, but enough is enough. They have to understand that they must have a respect for us and for what we achieved without them, and what we have achieved with them.

If it is a partnership, then we are as responsible for the economic development in this country as any foreign capitalist. So why is it that we feel so emasculated that we can do nothing? We have to have a consultant for this, and somebody to do that. We have weaknesses in our society, but they are weaknesses only today, they were not weaknesses yesterday. The reason is because we have people trying to take away what belongs to us, and we have to now develop a way of thinking that would not have been necessary yesterday.

People ask me why Caymanians cannot stick together. I say we do stick together, but not by ganging up on other people. If you need a breadfruit and I have one, you can get it. But I am not going to get involved in ganging up on other people. That is the way other people do it, though.

If you are going to buy, you buy from somebody who is like you. If you are going to get a job, you make sure that you divide everything among your little tribalistic group. But we never had that kind of tribalism. We founded a country where every individual could exist without war on the other individual, and without external wars. Therefore, we never had to develop a strong state. We never had to develop armies. We never even had to develop a police force. We never had to call upon any institution to protect us, we could protect ourselves as individuals.

My grandfather used to say that if you came down to McField's square, you had to ask him whether or not you could come into the square because that was his square. That is the way we used to live. We did not all gang up together; so when it comes to competition, that demands a different set of rules. Competition demands that people scheme together. We are not very good at that because we were not very competitive people in that sense. We were not setting out to be better than our brothers, we were just setting out to be equal. If we had ten mangoes, we didn't eat one and sell nine. We made sure we found other people to give the nine to.

So, when the Minister for Health has to make big decisions about who can go to Miami to get a kidney transplant, it is a hard thing to decide. Being Caymanians, we cannot deny medical attention to one of our own - we cannot! I could not, and I will not criticise anyone for doing it. Unless I am willing to go and do something myself, I am not going to criticise Ministers or Members for doing that which they are charged to do indirectly.

I don't know what kind of state this is, or what kind of state we want to call it, but I know it has a conscience and somehow the conscience comes from the community. At the end of the day, we find that we need to improve medical facilities because the people say "We are Caymanians, and they have that in Miami, and we are as good as anybody else, so we want to have that too." So, we have to improve our medical facilities. If we don't, they will do what their old grandfathers would do—they'll cow-itch you! (*laughter*) So what can you do but answer their call?

Now, it is unfortunate that a lot of people here confuse them about what it is they really want, and what they have to pay to get what they want. When Mr. Bush came here with the Labour Law, the first thing I heard was that Mr. Bush was going to ruin this country because of what he was doing for the employees. I said, "But, you're an employee." They said, "How can I be an employee?" I said, "Most people are employees, because without your labour you would not have anything." There are very few of us who are not forced to sell our labour to survive. So, if someone comes in with a law to try to improve the working conditions, why do you go and say that the person is going to ruin the country? Because the people have not been made politically aware of what their interests are. Why have the people not been made politically aware of their interests? Because of the old time superstition that as soon as people become educated and knowledgeable they destroy things.

Oh, those people want to compare the Cayman Islands with Jamaica. Or, you can't do this because if you do, the foreigners are going to run like they did in Jamaica. How can anybody compare the Cayman Islands with Jamaica? And this is not being negative, I am being realistic. I know that the social and economic conditions in Jamaica have been totally different throughout history. I painted a picture of the Cayman Islands where we all were sitting here basking in the sun dancing in the radiance of God, eating from the fruit trees, catching the turtles and being fat on our own blessings; where the population was so small

that every brother knew his sister; where the population was so small that the people started inbreeding. That is how small we were. We cannot compare ourselves with a country like Jamaica where they had developed plantation slavery to the point where even modern factories are not that big. So the humanising aspect is lost, whereas here, is it maintained. There is a big difference.

For those of us who have studied sociology, there is a very significant difference. When we talk about cultural differences, it is not whether or not I walk with this foot, but what is in the soul, what comes natural; what I would be willing to do to survive. What a Caymanian was willing to do to survive in most cases was not much. When I say not much, I mean he would not take another man's life, he would prefer to just sit there and moan and let his life go. He would not take something from you in order to have three times as much.

If you look in this country at who is ruling today, from the point of view of finances, you will see that none of them are Caymanians. Those who are Caymanians have spent significant amounts of time away from Cayman. So my theory is correct: As long as you are around Caymanians who say, "Well, you made \$10, you at least have to help me," you will never become an entrepreneur. You will never be successful. But those who have done it have spent time elsewhere—in Jamaica, in other conditions. For us, even for us bureaucrats, it is difficult to say to a person, "you can't have free medical," or "you can't have free lunches for your children." It is really hard for us to say no, and it is not even our money.

What we are faced with is a situation where the entire decision making process, how we arrive at a decision and how others arrive at decisions, is different. That is one reason why I am trying to show that there is a difference, there is a Caymanian and there is another, a new arrival, and there are those who are indigenous, who have been here and who are not just bodies, they are not just biological, they are sociological. A person is a person as a result of their values and not necessarily because of their biology. So, biologically and sociologically there is a difference.

What I am talking about is someone who, like the turtle, has to be protected. It is an endangered species. Not because you cannot find individuals who look biologically like them, but you will not find any individuals who look or act sociologically like them. This social experiment which began some 250 years ago or so, which means the Caymanianisation of individuals from Africa and parts of Europe is now endangered. It is endangered simply because we have allowed people to completely dictate to us what our value system should be. This has caused a tremendous conflict for the young people.

The young people are confused and they believe that being a rapper and acting that gangster way is a little bit more glorious and romantic than saying, "Gran, I love you," or, "Mamma, how are you doing this morning?" "What can I do for you? Can I take that out for you, can I pick something up for you? Do you need anything? How can I help you?" No, it's "Give me this and give me that or otherwise I'll blow your head off." The language changes, the atti-

tudes change as a result of the confusion and the result of the fact that we will not take a stand in regard to our own values—because we are insecure when it comes to our values. We feel that our values are inferior to other people's values.

I am taking the assumption and supporting the thesis that our values are, in fact, superior to the values of most people. We have a special type of humanity in these Cayman Islands and we must make a special effort to protect it.

When the Governor says that one of our major challenges is maintaining our identity and our sense of community, that is exactly what I am elaborating on. I am not being vague about it, I am being very specific. I say the sense of community is based upon a higher concept of humanity, it is based upon the highest concept of humanity!

I am an East Ender, and I am a Dixon from East End. I always used to say that the Dixons were philosophers. They would sit in their hammocks... and I remember going to East End, up to the cliff, and I can still remember that there was a certain contemplation of our humanity which existed there that I always enjoyed when I went to East End. So, being George Towners, and going to East End, we always found an exposed humanity, a greater sense of humanity and community there than even in George Town.

Why is it today that things are falling apart among the young people in East End, in particular? Why are things falling apart in Bodden Town? Why is it that things are falling apart in West Bay and George Town? Why are things falling apart in the Cayman Islands in respect to our sense of Community? Why? It has to do with the fact that we have not paid specific attention to who we are and why we are what we are.

We should reflect back upon what people said to us when they first came to these shores some 15 or 20 years ago. Reflect back to the relationships we had with people and the comments they made, "Oh, you guys should stay the way you are because you are the most beautiful people in the world." "I hope development does not wreck this island." That is what they were saying. "Money is usually the root of all evil, and it will destroy you." That is what they were saying.

We said, "No, we are Caymanians, those things will not change us. Money doesn't really mean anything to us." Well, it might not mean much to us, but it means a lot to a lot of other people, and there are more of them than there are of us. So somewhere our ways have to part.

We can decide at this juncture if we are going to bury our sense of community, or whether or not we are going to give it a chance for re-birth. If we are going to give the chance for a re-birth in this country we are going to have to get some finances together. You cannot do anything without finances. You cannot do a thing! My brother always said to me, "Frank, Jesus had a treasurer." You think that Jesus was poor? No! Jesus was not about poverty, he was about prosperity! So I say we have to get our finances together.

Where were we going to get our finances from? We were not a country which had produced great wealth. Our wealth was from God - the sun, the sea, the sand. But somebody coming here today and telling us that we do not have any resources is nonsensical. Who tells the Cayman Islands that it has no resources and that it has to be careful? Well, what is everybody doing in New York and Detroit? They are trying to get rich. Why? Because it is better to be rich than to be poor. But once you are rich, what do you do? You have to have a habit, otherwise it means that you don't know you are rich, which means you are not rich. So if you're rich, you have to act rich, otherwise you're not rich. So you have to have a little island like this where you own a condominium. You have to have a little suntan, or you're an 'easterner'. God forbid you show up at Christmas time and your complexion is not as dark as Frank McField's, because they will really think you are poor. (*Members - laughter.*)

What we are talking about at the end of the day is habits, and everybody pays for their habits, even the drug people can tell us that! We eat, we drink Coca-Cola, we have to pay for that; they have to pay for their habits too. We are in business to help them along with their habits. But, of course, at the end of the day we would like to make some money because we could not do anything without finances. We need the money to maintain what it is we consider to be special.

I don't think it is right to try to sell our people the idea that we don't have any resources, because, God knows, the peace and tranquillity is an asset that was produced in the particular way I have just outlined—because it is this special sense of humanity that causes that social harmony. To maintain that social harmony we must maintain the sense of humanity. It only stands to reason that we cannot do it without money. (*Some Members - Hear, hear!*)

So, the very same guy who is coming from Chicago because it has too many burns there wanting to rob him, is the same guy who does not want to go to Mexico, even though it might be cheap, because it does not give him the feeling that he is rich. To be rich, you have to have a rich habit. You have to be able to act it. But if you go places where you are so intimidated by poverty that you cannot even wear your jewellery... you are no place, man. I hear people talking about the champagnes, and all that sort of thing.... Don't make fun of it. People pay for it because it is expensive, that is why they are drinking it. They are not drinking it because it is cheap. Why do you think people go into gourmet restaurants? It's not gourmet if it does not cost a certain amount of money. So why are we letting them fool us about these things when we know exactly how this thing goes? We've been there too.

When you eat in some places in New York and London and you get the check—even if you were blind you could still see the figures they are so big! (*Members - laughter*) All I want to know at the end of the day is that they have a habit. Their habit is called leisure! They enjoy leisure time and say to the others, "I didn't see you in the Cayman Islands, so you can't be that rich." It is a difficult

place to get to, hard to afford, exclusive like the Rolls Royce.

We can't compete with Mexico. Mexico produces Coca-Cola. But when you come to the Cayman Islands, you use your own things. We don't make special things for you, even if you are from the United States. The butter you have is probably from there too. So when you come here, how can you expect to buy something cheaper than you did in New York, Miami or Minnesota? How can you expect to come to the Cayman Islands and get things for the price you do in Mexico? We would not compete in that particular way.

It's ludicrous to think that we are out-pricing ourselves. We are not; because if it is a good product, and enough people want to be exclusive, like the connoisseurs with the cigars.... Look at what people pay for a cigar. Does that make any sense to you? For them old stinking cigars? And they are talking about cigar clubs and all that kind of thing. People can find some very strange, perverted things to do with their money. So, don't worry about rich people, rich people will always pay for what they want.

I am not saying that we should be greedy, but we need finances. We need finances to maintain a social balance and a sense of equality in this country because Caymanians would get very upset if that balance were not there. We need to maintain that.

Mr. Speaker, I believe that somehow the Governor has highlighted to us exactly what we need to pay attention to. I believe that this Governor is a blessing. I believe that he has the sensitivity, intelligence and drive to assist us in forging a new possibility for the Cayman Islands. He seems to be sensitive to the question of identity. He comes from a metropolitan country, being Welsh himself, where they have special problems, because we know that the British are not English, they are Welsh, Scottish, Irish and so forth, they are a mixed group of people. The question of identity and the question of community is an ongoing question there. They have Scottish Members of Parliament who get up and say things, and people from different parts of England getting up and saying things. It is not a dead, one-dimensional thing.

People talk about identity because at the end of the day they know philosophically that that is what politics is all about, that is what the community is all about. I would also like to emphasise that we have special instructions in the Bible that give us a consciousness of who we really are. We are talking about being a Christian country? I think it is 1 Corinthians chapter 13 that talks about charity and how superior charity really is to everything, including prophecy and knowledge of everything - "Charity abideth."

What does that tell us? The Bible was not written yesterday, and most of us have faith. If the Bible is instructing us that charity... we are charged with charity, how can the state forget its obligation to those who do not have anything? How can the state be the state and not represent also those widows or orphans, or those without? How can the state be the state?

It is interesting that a business can be a business, but the state is charged with a different responsibility because

somehow the Biblical covenant is infused in the concept of the state and in the conduct of the state, and in the state's strive and desire for virtue, excellence and honesty and fair play. Can we entrust this to the Chamber of Commerce?

(Some Members: No!)

Dr. Frank McField: We are not saying that they should not have the democratic right to air their grievances, but can we entrust sacred principles in their hands? Not unless they are constituted in the way in which the state and the Parliament are.

I have a problem when we say that we are not going to give status to people who have been here for 34 years because it would give them a right to vote. But we had 1,000 people come out—and probably 2% of them had the right to vote and the rest of them did not—who had the right to *influence*. And they exercised their influence, and changed the condition because of that, yet they did not have the right to vote. Which is greater? The right to vote every four years, or the right to come out whenever you want and make Government stop its business to come and talk?

I worked pretty hard to get here. Believe it or not, people actually elected me to this House. I went through a process—not just the electoral process, a process which began long ago.... So that I could be hauled out in front of the place like a boy? Oh, no. That is not democracy, sir. That is intimidation. That is using the fear we have of poverty to intimidate us, and to get us to comply with their wishes; that is, to divide the grass roots people we are trying to support and the middle class people we are trying to assist. That is one reason why I have been fighting for a more bipartisan position in this House because it is absolutely important at this juncture in the history of the Cayman Islands that we accept our responsibility to provide the people of this country with a higher sense of humanity than people from abroad are going to provide them with.

A lot of people come here because of selfishness, and they do not want to contribute anything towards General Revenue or general funds. But how are we supposed to run a civilised country with any sense of decency and humanity if we are not allowed to collect revenue? *(Members - Hear, hear!)*

What are they supposed to tell us? That we are a bunch of weaklings? That we are so stupid that we do not realise that we have a deficit population? That we are not knowledgeable of the fact that we are not the same as Jamaica, where 50% of the people are unemployed and can't get jobs, and couldn't get jobs for the past four years? And we have a situation of over-employment in this country with 18,000 people on work permits? How can they tell us that unless we bend to their demands that we will not have an economically prosperous country? Ludicrous!

Are you going to tell me that if we did not build the Westin we would be worse off than we are today? And that if we do not build the other hotel that is slated to go down that we will be worse off? We will be worse off if we do these things because they will tell us that we are not quali-

fied to work there! (*Some Members: Hear, hear!*) Mr. Speaker, soon they will tell you that you are not qualified to be Speaker either, and tell me that I am not qualified to be a representative.

They have been going through a process of disqualification in this country for the past 20 years, and people who were qualified have become disqualified. Why? Because of our nature. We are such nice people and we don't like to offend anybody. We like to please people. We like harmony. We go along with it, becoming second class citizens in our own country.

Why does the lawyer have to come from Cambridge or Oxford? Why? Because he knows the other guy. If the other guy is saying that he will only do business with people from his 'tribe', then that's a different thing. We are not talking about international business after all, we are still talking about tribalism. I believe that the whole concept of the *laissez faire* enterprise they talk about means that as long as the business is a good business, I will do it with you whether or not you are a Caymanian or from Great Britain. Therefore, if I am a trained lawyer I will have a chance to earn that money that somebody else would have earned.

We are in danger of outlawing ourselves. We are in danger of making these people called Caymanians extinct. We are in danger, and we must take a stand. I don't mean that we must take a false stand, because, certainly, when we cannot produce an Education Officer after all of these years—after all these years we are going back to that? '*Jeese n!*' Mother help me. That is shameful to me!

For the past 20 years I have been walking the streets—me, with a little old Ph.D! I told them that it was not right, Mr. Speaker. I told them we would disqualify ourselves because we will never feel that we are good enough, and because we don't trust one another. It is a lack of trust and not a lack of qualification. We have to mend this situation and not use politics.

My criticism is not meant to offend the Minister of Education, but I must sternly say that our country—after all these years, and after all my cousin, Teacher McField, did in education—is further back than when we started! Miss Genevieve, and Miss Carolyn, Miss Pearl, Miss Gleeda! All these people who taught us about humanity in this great wonderful country. Educating a child is more than giving him the arithmetic book; it is educating him about his responsibility to the other human being.

Hon. W. McKeeva Bush: Hear, hear!

Dr. Frank McField: It is about values, Mr. Speaker. It is about ideals and the spirit and feeling of life. Therefore, when we turn our backs on our own teachers and go abroad, we are committing a deadly sin. That is one reason why I have suggested that we do as much as possible to see that our teachers are trained here because they need to make contact.

When that child is at a primary age, when that teacher has so much influence, when what that child will experience will be with him for the rest of his life, it is important

that a gentle voice guides that child. It is important that a careful mind is there to see and feel for it.

There are different kinds of children. You can develop those who come up as a result of love and care, and you can develop those who come up as a result of the 'rule.' But the child who is taught to grow like a flower, when the teacher is like the gardener with the pretty flower, this child is the child we want to see because that is the Caymanian—not the child with the roughness and the coarseness and the 'I-don't-care-for-you, or for myself' attitude, and 'I want to destroy this and that.'

We need to get back to our own values. We need to get back to continuing to believe that if we survived all of those years, and did not fall into the barbarism that so many developed countries fell into when they made war on one another, then we have something to be proud of.

In talking about identity, it is something that we really do not have to try to play catch-up with anybody. I am a practising artisan. I write plays for the theatre. But we do not have to prove to anybody that we can do anything. We do what we do when we can do it, when we want to do it, when we can afford to do it, but we do not have to impress anybody. We have to learn to deal with ourselves, to accept ourselves for what we are—because we are good. I say we are good!

I am 48 years old and I spent most of my time thinking about myself and other people. My conclusion is that these are the best people. So, unless you can find somebody who put in the same amount of time that I put in... then I say we are good people.

The Speaker: Would this be a convenient time to take the afternoon break?

Dr. Frank McField: Yes, sir.

The Speaker: Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 3.24 PM

PROCEEDINGS RESUMED AT 3.51 PM

The Speaker: Please be seated.

The Fourth Elected Member for George Town, continuing.

Dr. Frank McField: Thank you, Mr. Speaker, for your attention thus far. I would like to apologise for the fact that my considerations are lengthy, but I feel that it is an opportunity time to give some focus to what I think Government has been long trying to put into perspective. I certainly do not take full credit for what I have said so far, because I have used my contact with Members of the House to try and formulate some of what I consider to be the pressing issues.

The thrust of my debate is the need for us as Elected Members of this Honourable House to come together and to show the people of these islands, in particular the Caymanians, that it is desirable for us to come together at this

particular time to show a united front. It is important for us to establish the fact that we are in charge; that Caymanians are, in fact, in charge of this country. The guests are the guests, the Caymanians are the hosts and they are in charge. We, the Members of this Parliament, the Government that we elect to this House, are in charge.

It is important that we begin conducting ourselves in a way that will show that we are in charge. Not that we show ourselves scornful of people's rights to demonstrate and agitate and to present their grievances to the responsible Ministers of Government; but that when we have members of the business associations organising in a manner they discourage their employees from doing. Every time the working people in this country have had grievances in regard to wages and they spoke about labour unions, the answer was that a labour union would destroy this country.

What we saw at the Lions Centre was no different from labour union tactics. In the final analysis, most organisations tend to act in a similar way. They come out and they threaten. They say, 'If you don't do this, then we will do that, and it will lead to your loss.' So, when we had members of the Hotel and Condominium Association threatening to withdraw their participation in something the Government was doing, we understand that what has happened is that certain groups of people have reserved the right to protest for themselves - they only protest when it is in their interest to protest.

Although Government should listen, Government must be careful that it does not listen to just one side of the story. Although there might be people who complain about the revenue measures, there are still those who understand that if we are going to have a country that we are proud of, the infrastructure development must be paid for.

What the eyes see affects them. What I see with my eyes is not just me—I see other people. How I look is important, but how other people look is also important because the eyes will see them and be affected by them. We have to have a re-birth in the consciousness of our environment. Therefore, when Government attempts to bring in measures to enhance the social development of this country, it has to be careful that it does not say too quickly that because we have to pay for them, we should just throw them out of the way. We should examine whether or not it would be expedient, in fact, to get rid of some of these programmes at this particular time.

One thing I will always remember is when I came back to this island in 1977. It was said that there was no poverty here. It was also said that there was no crime, and for a very long time it was accepted that we did not speak about poverty and crime. They said that speaking about poverty and crime would cause the tourists to flee. Well, we didn't speak about crime, but crime grew. Soon even the tourists knew that we had crime. But the tourists did not run. As a matter of fact, if we look at the statistics we will see that the number of arrivals by air and by ship have increased dramatically over the years.

I think it is important that we reserve the right to discuss publicly, at least within these Chambers, what we

consider to be issues of national importance. So, people can no longer say to us that we should not be talking about that because it will affect development. If we do not discuss something, we will not come to any kind of solution. So, consideration and discussion are necessary with regard to even the most unpleasant issues. Therefore, debate in this House, as the Standing Orders state in regard to our privileges, is that we are privileged to discuss anything which we feel is of national importance. Therefore, we should not be told that we should not say this, or that, because it will affect some selfish person.

When we think of developers, it is important that we also realise that through the 1970s and 1980s (and now in the 1990s) people came here and invested their money. They have had very good returns on their investments. We have exchanged lands for the money they have left here. Land has been the only thing we have had to exchange (we don't have bauxite, or bananas or industrial or manufactured products) on the free market, which was the beginning of our establishing a trade contact.

After we traded the land, people built hotels or condominiums, or banks, and as a result we began to also trade services. But we, the Caymanian people on a whole, or as a nation, are not really trading in these services. We are not the owners of the hotels, we are not the owners of the banks and we are not the owners of the big prosperous law firms. After we traded our land originally and allowed other groups to come into our territory to do business—in fact, we no longer trade in the first instance, but in the secondary instance.

What I am saying is that what we acquire as a result of the ongoing commercial activities in our islands is more or less as a trickling down factor, but we are not the major participants in the economic institutions or activities. We are not the major players. I think that for this reason Government has an important role to play, and Government is the organisation which collects to see that we get our share, although we are no longer involved in the primary economic activity. Although we might not, as Caymanians, be involved in the hotels or the banks, we as a nation support the existence and make possible the existence of these economic activities. Therefore, Government does have a legitimate claim on some of the profits made by these institutions.

We have been very liberal with this in these islands, but I am saying that it has now come to the time where they have taxed us. Not only taxed our physical environment, but our social and mental environment to the extent where Government is having to pay, in regard to salaries, and in regard to capital works, very large sums of money. As the Third Elected Member for West Bay said, when he was in Government it was \$14 million, and now it is over \$200 million. But we see why this has happened and we understand the rapid pace of development.

When we understand the profit that Foster's was making ten years ago, and we understand the profit that Foster's, as well as Kirkconnell's is making today in terms of supermarkets, then we understand why there is an increase. Just as there is an increase in the profits that the

merchant is making, there is an increase in the money in which Government will have to spend. Therefore, our position is: The more development, the more Government has to find money, and the more the Government will have to tax the indigenous (the so called 'first arrivals') average person, through the indirect taxation system in order to collect these revenues to ensure that we maintain social equilibrium in this country.

Sensible business people will say that they would like to help pay. People who have had experiences in countries like Jamaica, and other countries that are falling apart because of the lack of political agreement and social harmony, would prefer to pay. It is much better to pay a dollar out of a suitcase than to have to run around with a suitcase full of money not knowing where to stay and finding no security even for yourself. I think that what we are offering here is a new opportunity to the responsible developer who is coming with a conscience, saying "Since I escape paying exorbitant taxes in Germany or the United States, I don't mind contributing something towards the upkeep of the community in the Cayman Islands, because it is the community of which I am a part."

I think that in all we are doing we must remember that there are people out there with money who also know what is good for them, who know that the Cayman Islands is good for them, and they are not going to pick up their suitcases of money and leave tomorrow simply because we are asking them to share this responsibility and obligation with us to preserve this beautiful social order. They are not going to run.

Why are we not going up as a buffer between the kind of fear which institutions like the Chamber of Commerce are trying to inflict by telling the average man that tomorrow he will not have this or that, or that older people will be the first people to lose their jobs, or whatever the propaganda is? It is like the duppy—we have never seen the duppy, but most of us believe in the duppy. It is the same as every one of us believing, that somehow, just like the duppy, the money is going to run from here if we don't behave in a particular manner.

We have to be men (or women) enough to sit at the table with people who want to do business here and say this is the price for doing business with us. We are developed enough at this particular time to really pick and choose. But something that we can no longer choose is a high cost to maintain social harmony or to provide the roads. If West Bay gets a civic centre, George Town wants one, East End wants one. If they get a clinic, everybody wants. And everybody wants it now! Yet, Government is being blamed at one particular point for trying to explore, at least, avenues for raising revenue.

What I am advocating is that we do not run away from our task, that we do not give in to pressure groups; that we do not pretend that they can have the interest of the entire society when they only have their own interests. We must not fall into that. Although we will be democratic, and listen, we should not listen and be changing what we intended to do at the same time. We listen first, then, if we are convinced, maybe we will change. But there is too much of the

'I-want-to-get-elected-again' attitude, there is too much 'about-my-job' attitude. I will tell you that I have lost jobs before, and I will probably continue to lose jobs because I will always say my job is what I do. I am more concerned about doing my job than whether or not I will lose it.

What I have had to say, and what I will say is that not everybody will understand exactly all that I have said. But even if they understand part of what I say, the thrust of what I am saying is that we should be in charge. I want us to be in charge. I want the Government of this country to act like the Government of this country, and to act with the pride, the dignity and sophistication that the people of this country have acted with. I want the Government of this country to be like my Grandfather, Lemmie McField, and stand up to the people who are telling us that, somehow, without them we could not exist. That is what I want the Government of this country to do.

Only a strong Government will develop strong people and encourage strong people. We need the people of this country to take their example from us and to get together and begin to co-operate and be stronger. Otherwise, we will cease to exist as a group of people. That will be a tragedy to the world, because the world would have missed the greater carriers of the torch of liberty and humanity—the people of the Cayman Islands.

We have to prepare ourselves to work together in this House, and to become a little bit more responsive towards constructive criticism. We have people in this House versed in different fields and with different talents who pledged to put it all at the disposal of the people of the Cayman Islands. Let us put these things together for the good of the people.

I have seen that the Monetary Authority has expanded itself and that we have a stock exchange. That relates back to what I said about Government trying to provide services to improve businesses on the island. While the Caymanians are not the direct recipients of these services, they do benefit from them at the end of the day, and we do appreciate that there is growth in the economy of this island. But we are paying for that growth. We have to find over \$250 million, we are obviously paying for maintaining the growth.

We are asking that when we sit down to discuss this with people that they remember, if they can come and make \$70,000 per year on a condominium, tax free, that somehow if people are complaining about the roads being congested in the areas where they have that condominium it makes good sense to help alleviate that. The Government of these islands have proved to be stable minded people, not greedy, not wanting everything. They have always been very liberal in terms of seeking money. As a matter of fact, they have been too liberal in many cases.

We see a lot of the areas where Government has not updated the cost, so the Government is actually paying more to provide the service than they are getting from those institutions. For instance, the Planning Department: It would be interesting to do an exercise to see whether or not they are paying more for the Planning Department than they are getting back in terms of fees. It would be interest-

ing to see if the Post Office, is paying more for the letter boxes than people are paying for them.

It is not what we, as individuals, want. It's not that we want to tax the people. We are here to recognise the needs and to find solutions. One part of the solution is finding money. We are not going to be able to do anything in this country unless we sell the idea that we have the right to raise money. A Government without the power to tax is a powerless Government. You can do nothing without finances.

People are not going to volunteer their services. They will tell you this now. They will say, 'let's have a volunteer service for this or that', but when the time comes, no one shows up. If you had to wait for a volunteer ambulance to get you to the hospital when you were having a heart attack... no, you want to make sure the ambulance is going to come there. They are on call. You have those services available to you and you will never miss them until you really need them. It is just like the police. Most people do not think the police are so great until they need them, and then they realise how necessary the police really are.

I think that we need to consider ways to raise revenue, and we need to consider the fact that certain groups are benefiting more than others. We need to understand that the guy who has a condominium here who is making \$70,000 a year on his condominium, is making a profit, and that the little guy, the Caymanian who lives here, is not. We are not asking that they be made equal, all we are asking is that the responsibility for the upkeep of this beloved society be made on a more equal par.

We are saying that we are going to encourage Government to look in the direction of the impact fees, to see what can be worked out with the developers. We are not saying that they should pay for us. All we are saying is that they should pay for themselves. It is the environment that they came here to benefit from and to cherish.

In regard to Immigration: I think it is time that we at least increase the core members of our organisation, Cayman Islands. In other words, the core is too small for the apple. Somehow I think we have to, in dealing with Immigration—which is a question related to labour and capital, and related to fairness and to paying—also consider the fact that we have to extend citizenship to a larger number of people.

The reason why I say this is because I started to mention that a person is not just biological—a person is sociological. So, if a child is born in the Cayman Islands, and the child continues to stay in the Cayman Islands because nobody hampers that child's residency for a period of 18 years, the child becomes 18 but the child has no status. Who is that child? I would say at the end of the day that the child is a Caymanian, because sociologically the child is a Caymanian.

Now, if somebody is born in Houston, Texas, or Mobile, Alabama, and one parent happened to be a Caymanian and the child has no sociological Caymanian traits recognisable to me—What is that child? Is it an American? Or, is it a Caymanian? Should there be such a thing as hereditary citizenship? Do you inherit a citizenship be-

cause of your genes? Do you inherit a citizenship because of your obligations and your responsibilities? I believe that we must move away from these hereditary ascribed characteristics whether or not it be racial or nationalistic or whatever. I believe that we must move more towards assessing a person as a result of who they are. I do not think that this conflicts at all with what I said before, because once I finally decide who a Caymanian is, I can then decide who will be a Caymanian.

In America, when you go to become an American citizen, the reason they can make you an American citizen is because they know what the sociological requirements for citizenship are (not the biological requirements, because those are unimportant, but the sociological requirements). That is why they get up and say, "I pledge allegiance to the flag of the United States of America...." It is a sociological requirement—that you understand what America is all about. Once you understand that, you can serve America, and America can serve you. "Ask not what your country can do for you, but what you can do for your country." So we are going to be asking people what they can do for the Cayman Islands. Obviously, if the answer is, "I want to do this or that for the Cayman Islands...", they are the Caymanians. Those are the people we want to have relationships with.

Therefore, in terms of our immigration policy, I think it is at a cross-road at this particular point. I think it is going to take big men to make big decisions. We must stop dragging our feet about the fact that we are small. We are small in size, but we are not producing very much, so most of the space we have is residential space. We have over 18,000 people on work permits. Why do we have so many people on work permits?

A lot of the people on work permits should have status anyway. The reason is because they have lived up to their social responsibilities to this nation. They have been productive people in this environment. They have been law-abiding people in this environment. Some people say that if we give them status they have the right to work. But if we have created a situation where we will not have fewer jobs, but only more, then they will not be taking a job from a Caymanian. How could they be taking a job from a Caymanian when there are so many jobs available?

What would they be doing then? They would have a right to vote. They would have a right to influence what I say.... But they are doing that anyway. I am saying that a lot of people have the right to vote but they have no status. A lot of people are living in this country earning a living but they have no status. So what is it all about? Why don't we face it? Why don't we look at the contradiction?

You cannot expect a Jamaican child who came here when he was two years old to speak in a Caymanian accent when we don't even want to accept him. I am telling you that we can define what is Caymanian because we say that as long as he has a heightened sense of humanity he is a Caymanian. So we need to look at these issues together. If we play politics with it all it will do is destroy our nation. These are hard issues, because Immigration issues are a matter of life and death to some people. Tribalism is

something that seems to be built into every man. Even when we have a wife, we might get up one morning and say, "Boy, she don't look like me today, so I don't like her." (laughter)

Let us strive to get over these Immigration issues as softly as possible. We know that we are behind the times with them. If the British Law says that we cannot take the right to vote away because they already had it, why are we postponing giving them the final right, which is citizenship?

Mr. Roy Bodden: True!

Dr. Frank McField: People who voted in this last election could vote in the elections before. There are a lot of people who influence politics that way. But there is a new factor that I have brought into perspective, which is the factor of people who cannot vote but who still go to the Lions Centre. What I am saying is that influence is influence; it's six of one, and half-a-dozen of the other. Whether or not it comes about because of political influence or economic power, we know that we are sharing the decision making process with everybody else because they are sharing with us. Trade means interdependencies.

I am asking why we are creating the trauma? Why are we causing people who are married to Caymanians to lose their residency? I have asked a few questions about this, but up to this point there are no answers. I know that there are a lot of mothers out there supporting Caymanian children—at least the law says the *children* are Caymanian, it does not say that the mother is. The law says the mother is a foreigner.

I have talked about foreign influence, and now I am talking about "foreign" again, but I am talking about it from a different perspective. I am talking about obligation, involvement, responsibilities and associations: by association, the person has a different position. If a woman is married to a Caymanian, and the woman happens to be from Jamaica, and she has lived here and had children with the man, and she is supporting those children—like a lot of Caribbean women, the mothers are the economic backbones in a lot of these families—we are penalising them in this country because we put them back into the status where they have to get work permits. It is a disadvantage for them, therefore, it is a disadvantage to the future Caymanian children.

Mr. Roy Bodden: And it's immoral!

Dr. Frank McField: That is the point.

Now, how are we going to solve this problem? Are we just going to do the same thing we did with the Chamber of Commerce? Are we just going to get a little flack and then pull back, or are we going to say this is a moral obligation? Are we going to be in the same position the United States was with the question of slavery? with the North believing one thing and the South believing another? where they had to go to war because it had to be settled - because it was a question that divided the country!

Most of us are sharing some kind of relationship with people from some other country, whether it is a working relationship, whether or not it be a personal relationship, or whether or not it be the Governor of the Cayman Islands.

Mr. D. Kurt Tibbetts: Thank you.

Dr. Frank McField: As long as we can find people who measure up to our moral yardstick, to our concept of self; as long as they can measure up, we should have no problems accepting them as being a part of our covenant.

We are Christian people. We have one Father. But somehow, when we can share the same nation, we say we will not share the same nation. How come? When somebody has been here for 20 or 30 years, why do they have to go around and still be second class? Why? Who benefits from that? Do you think the average Caymanian benefits from this? The average Caymanian might be fooled into thinking that they benefit from somebody having this second class political status, but the average Caymanian does not benefit from that at all. Do you know why? Because right now, even when we bring this tax package, do you know how much money we would have been able to collect from all of the building materials that would have come into the country over the last year with people who would have built homes rather than sending their money to Jamaica and Honduras?

Mr. Roy Bodden: True, true!

Dr. Frank McField: Do you know how much revenue we would have earned?

Do you know how many plumbers we would have employed? Do you know what the economics of this country would have been like?

Mr. Roy Bodden: Now you're talking, brother.

Dr. Frank McField: They would have made this not only a place to work, but a place to spend!

What we have done through our law and through our naiveté, our ignorance and arrogance in certain cases, is make it a place where they can work, but not a place where they can spend.

Mr. Roy Bodden: Right on.

Dr. Frank McField: We want them to spend their money back here, and the only way to do that is to create the conditions for that.

Mr. Roy Bodden: Preach, preach. You're talking the truth.

Dr. Frank McField: The conditions for that means, of course, not trying to be like South Africa and having one citizenship for this group, and one for another, because that will eventually break down. If men cannot learn to live as equals everything will break down. You might as well

begin with the premise that somehow it is expedient to at least establish an equal or level playing field.

We have women in this country who have two or three children. They are separated, or divorced, but they still have to go back to the man to get the little beauty salon licence—because they are not Caymanians, and not entitled to own it. We get things like that happening.

We get women who are somehow dependent upon men—men who are on drugs, who are abusing these women and holding them for ransom—simply because of their legal status in this country. These men are Caymanians and these women are not; yet these women are the ones who are truly raising our Caymanian children.

I never tell anybody who to marry. I think that we should somehow leave that up to the individual. If you marry because of your bad choices, then it is going to have to be your problem. But, if Princess Ann and Prince Charles could get a divorce—and that does not seem to have destroyed the Empire—I don't see why the little Jamaican woman and the Caymanian man cannot get a divorce without it destroying the Cayman Islands (*laughter*).

I am not saying that there might not be one or two situations, but we cannot be ruled by the fact that there are one or two bad apples. We cannot be inconvenienced, and people's humanity cannot be violated simply because we have one or two people who do it. And there are people who talk about getting married for economic reasons. Well, did Princess Diana get married for economic reasons? The Royal Family has been getting married for economic reasons for the past 2,000 years!

The Speaker: I will ask the Honourable Member to leave the Royal family out of his debate, please.

Dr. Frank McField: I apologise, Mr. Speaker. I was just using that as an example. Rather than talking about that family, I will talk about the 'aristocrats' who are in the same class category.

What I am trying to demonstrate here is that marriage has to do with economics, it has to do with power and it has to do with keeping society stable and intact. Therefore, marriage is not always because of love or whatever.

I think it was Martin Luther, a German reformist, who stressed that poor people, and not only the rich, should be able to get married. Before that, only the rich got married, so it goes to show my point that marriage is because of economic convenience. So what are we doing here flogging the poor person for? Are we are flogging the poor person because it makes economic consideration?

When I went to the United States, I went because of economic reasons. Most of the people I know who left this country left for economic reasons. Those who could stay, stayed for economic reasons because they could still make it here. The point I am making is that we are saying the reason why we are taking the residency or status away from these people who were married to Caymanians is because we believe they married them for convenience and because of economic conditions.

Now, if you are married to someone for eight or ten years and you have a problem with them, who gives any-

one the right to say that the person has not done their time, or not been a loyal partner, that they are in breach of the contract? What gives us the right to say that it is not the other partner who is in breach of the contract? But because he/she is a Caymanian they keep their rights and the other person loses all their rights. Yet, in many cases that person still has the obligation because they still have to support the children.

My heart really goes out to a lot of these women, in particular, who have the responsibility of supporting the children. But because we are guarding our citizen's rights in such a way as to not see an increase in our citizenship, which is the law of natural development—by increasing that we would be increasing our economic prosperity and productivity. We would be increasing it.

MOMENT OF INTERRUPTION - 4.30 PM Standing Order 10(2)

The Speaker: May I interrupt the Member for just a minute? We have reached the hour of 4.30. Will you be finishing shortly?

Dr. Frank McField: No, sir.

The Speaker: I will entertain a motion for the adjournment.

ADJOURNMENT

Hon. Truman M. Bodden: Mr. Speaker, I move the adjournment of this Honourable House until 10 o'clock tomorrow morning.

The Speaker: The question is that the House do now adjourn until tomorrow morning at 10 o'clock. I shall put the question. Those in favour please say Aye... Those against No.

AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned.

**AT 4.30 PM THE HOUSE STOOD ADJOURNED UNTIL
10.00 AM THURSDAY, 3RD APRIL, 1997.**

**EDITED
THURSDAY
3RD APRIL, 1997
10.24 AM**

The Speaker: I will ask the Honourable Minister for Agriculture, Environment, Communications and Works.

PRAYERS

Hon. John B. McLean: Let us Pray.

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

Bless our Sovereign Lady Queen Elizabeth II, the Queen Mother, Philip Duke of Edinburgh, Charles Prince of Wales, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed.

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

APOLOGIES

The Speaker: We have apologies from the Honourable Minister for Tourism, Commerce and Transport who will be arriving late this morning.

Presentation of Papers and Reports. The Royal Cayman Islands Police Annual Report. The Honourable First Official Member.

**PRESENTATION OF
PAPERS AND REPORTS**

ROYAL CAYMAN ISLANDS POLICE ANNUAL REPORT 1996

Hon. James M. Ryan: Mr. Speaker, I beg to lay on the Table of this Honourable House the 1996 Annual Report of the Royal Cayman Islands Police Service.

The Speaker: So ordered.
The Honourable First Official Member.

Hon. James M. Ryan: The Report continues to be what I consider high quality. It is very informative, and will now be disseminated to various sources, perhaps of a slightly different nature, but related to police. I wish to state that I am sorry to see the Commissioner of Police, Mr. Anthony Grey, taking retirement at the end of his present contract early next year. Mr. Grey has done a very commendable job as Commissioner, and we will be sad to see him go. His Excellency the Governor will be looking for a replacement when he is in the United Kingdom later this year. I am sure that when the time approaches, Members will want to wish the Commissioner well as he retires.

Thank you, Mr. Speaker.

The Speaker: Questions to Honourable Members and Ministers. Deferred Question No. 33, standing in the name of the Third Elected Member for Bodden Town

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

DEFERRED QUESTION NO. 33
(Deferred on Monday, 24th March, 1997)

No. 33: Mr. Roy Bodden asked the Honourable Minister for Education Aviation and Planning what programmes in the technical and vocational areas are offered at the Community College of the Cayman Islands.

The Speaker: The Honourable Minister for Education Aviation and Planning.

Hon. Truman M. Bodden: The Community College offers the following one-year technical and vocational certificate programmes:

- **Certificate Programmes (one year)**
Electrical Installations/Electronics

Auto-mechanics Construction
 Business Studies - Commercial
 Business Studies - Secretarial
 Hospitality Operations Professional Cookery

- **Associate of Applied Science Degree Programmes**
 Secretarial Studies
 Accounting
- **Professional Development Programmes/Courses**
 Chartered Institute of Bankers (Preliminary and Final Stages of the CIB)
 Association of Accounting Technicians (Years 2 and 3 of AAT)
 Chartered Institute of Insurance
 Certified Hotel Administrator
 Certified Food service Manager
- **Extension Services (Evening Courses)**
 Architectural Drawing
 Electrical Licensing Air-conditioning and Refrigeration
 Basic Car Maintenance/Serviceing
 Outboard Motor/Small Engines Repairs
 Woodwork/Cabinet-making
 Pastry-making
- **Pitman Qualifications**
 English for Business Communications
 English as a Second Language
 Typewriting
 Bookkeeping and Accounts
- **City and Guilds**
 Numeracy
- **Computer Courses (7 weeks)**
 Introduction to Computers
 Introduction to Windows '95
 Introduction to Word Processing
 Lotus 1-2-3
 WordPerfect 6.1
 Computerised Accounting
 Computer Graphics
 Microsoft Word for Windows
 Microsoft Excel

The Board of Governors has recently approved the introduction of a one-year certificate in computer applications. This programme will be offered in September 1997.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister say if in areas such as auto mechanics, electrical installations and electronics, cookery, etcetera, any consideration is being

given for students to receive practical experience through secondment with organisations cooperating with the Community College, or are these courses mainly limited to the campus of the Community College?

The Speaker: The Honourable Minister for Education Aviation and Planning.

Hon. Truman M. Bodden: A compulsory part of these courses is that students have work experience off campus.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister state if there are any requirements for..... *[microphone not turned on]* of the programmes outlined in the answer?

The Speaker: The Honourable Minister for Education Aviation and Planning.

Hon. Truman M. Bodden: There are 36 different courses, and if you take the stages there are 41. It is necessary on some, and on others it is not. If the Honourable Member could be specific, I would endeavour to answer.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: *[microphone not turned on]* Can the Honourable Minister state what courses, as outlined in his answer, do not require...?

The Speaker: The Honourable Minister for Education Aviation and Planning.

Hon. Truman M. Bodden: That is why I pointed out that there are 41 courses. For me to give an answer dealing with 41 courses.... I would have to do that in writing.

If the Member has a specific course in mind, I may be able to answer it. But at this stage, I just cannot tell you exactly what is necessary on every one of these. If you tell me which one you wish to have, maybe I can tell you.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister state what the academic requirements for the electrical licensing course are?

The Speaker: The Honourable Minister for Education Aviation and Planning.

Hon. Truman M. Bodden: I do not have the answer to that. I will have to supply that in writing.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: To make life a bit easier, would the Minister undertake to provide the answer to the original supplementary in writing regarding all of these courses?

The Speaker: The Honourable Minister for Education Aviation and Planning.

Hon. Truman M. Bodden: As I said earlier, I will be happy to. But I do point out the complexity of this. For example, the Chartered Institute of Bankers (CIB), of which I am an associate, has a totally different academic requirement, because it is an overseas exam. Some are controlled by the college, some are not. If a person does not have the necessary entrance requirements for the CIB they cannot enter it. Therefore, the course cannot be offered to them, even though they may meet other requirements for study at the college.

I will supply the answer to the Member in writing.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Minister state if all the courses outlined in his answer are active, or are any of the courses without students at present.

The Speaker: The Honourable Minister for Education Aviation and Planning.

Hon. Truman M. Bodden: Out of the 36 courses, only one is not active because not enough students applied. That is the auto mechanics course.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Minister say if any of the technical and vocational areas are extended to Cayman Brac and Little Cayman?

The Speaker: The Honourable Minister for Education Aviation and Planning.

Hon. Truman M. Bodden: I would have to supply that in writing. I do not have that at present.

The Speaker: If there are no further supplementaries, the next question is No. 40, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 40

No. 40: Mr. Roy Bodden asked the Honourable Minister for Agriculture, Environment, Communications and Works to state Government's policy regarding the importation of sod and lawn grasses into the Cayman Islands.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Effective June 1996, Government placed restrictions on the importation of sod into the Cayman Islands. However, Government has taken the policy to allow the importation of lawn grasses in the form of grass seed, sprigs or grass cuttings, and grass plugs free of growing media.

SUPPLEMENTARY

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister state why the Government placed restrictions on the importation of sod and lawn grasses?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: The Department of Agriculture intercepted and sent back a shipment of Zoysia Sod from Florida, certified by their inspectors, which was infested with plant pests. Five different species of pests were identified, three of which are serious turf pests of economic and quarantine importance.

The Speaker: If there are no further supplementaries, the next question is No. 41, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 41

No. 41: Mr. Roy Bodden asked the Honourable First Official Member how many Government Departments are connected to the Internet.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: No Government Department is connected directly to the Internet. However, specific officers in 18 Departments or Sections have the potential to access the Internet via temporary dial-up connections.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member say whether there are any plans for direct access to the Internet, and, if there are, will this be limited to specific officers, or will there be unlimited access for anyone in the departments?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: That is dependent on facilities provided by Cable & Wireless.

The Speaker: The Member for North Side.

Mrs. Edna M. Moyle: Can the Honourable Member state the 18 departments with access to the Internet?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: The 18 departments or sections are: The Ministry for Communications and Works, Finance and Development, Department of the Environment, Department of Environmental Health, Internal Audit, Legal Department, MRCU, the Post Office, Ministry of Tourism, Ministry of Community Development, Portfolio of Internal and External Affairs, Ministry of Education, Fire Department, Lands and Survey, the Marine Survey Department, Police, Public Works Department, and Computer Services.

The Speaker: The Member for North Side.

Mrs. Edna M. Moyle: Would the Honourable Member say if any consideration was given to the recommendation by the House Committee that the Legislative Assembly be offered this service?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: The matter will be subject to budget approval.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Member say whether any consideration is being given to extending this service to District Administration?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Again, the service would be subject to budgetary restraints, but it is really left to the department to request it. To my knowledge there have been no requests.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Is the Honourable Member saying that the provision of funds has been submitted for the expansion of this service to the Legislative Assembly, or is he saying that it is left to this Honourable House to make that interjection if we deem it necessary?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: The Computer Services Section included funds in their estimates to cover the Legislative Assembly. Whether those funds are still in the Budget document is uncertain at this point in time, but, in the final

analysis, if the funds are approved there is no reason why the Legislative Assembly cannot have the dial-up access the same as users in other departments now have.

The Speaker: If there are no further supplementaries, the next question is No. 42, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 42

No. 42: Mr. Roy Bodden asked the Honourable First Official Member to provide a breakdown of the achievements of the Drugs Assets Confiscation Unit over the past four years.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: The Unit previously known as the Drug Profits Confiscation Unit was set up in September 1989. In January 1993, as a result of the varied role which it was being asked to fulfil, the name was changed to the Financial Investigation Unit.

The Unit has a responsibility to assist in the identification and restraint of drug trafficking proceeds under the Misuse of Drugs Law and with disclosures made under that legislation. In the period from January 1993 to the present, it has dealt with approximately 350 disclosures made under the Misuse of Drugs Law, and since 21st January, 1997, has dealt with 24 disclosures under the Proceeds of Criminal Conduct Law.

The Unit has assisted the Drugs Task Force over the years in identifying the assets of drug traffickers. Contrary to common belief, many persons charged with possession with intent to supply drugs have little or no trappings of wealth as the tendency is to spend their profit on more of the product or on having a "Good Time." Since January 1993, it has investigated approximately 20 drug traffickers in an effort to identify their assets.

From an international perspective there has been cooperation in a number of major money laundering cases. The most notorious being "Operation Green Ice" which resulted world-wide in the arrest of several major drug traffickers.

In one case, after conviction a lot of land valued at \$30,000 was restrained. In another, despite a two month investigation into the assets of the drug trafficker, which revealed 22 associated accounts and property totalling just under \$1 million, no mention was made of this to the court, and therefore no confiscation occurred.

This unit is always available to assist the Drugs Task Force with any investigation, however, it is not always called upon to do so.

In addition to the above, the current objectives of the Financial Investigation Units are to maintain the integrity of the Cayman Islands Financial Sector, and prevent criminal abuse of the system by assisting the Monetary Authority. In the past four years it has assisted with the closure of the Finsbury Bank and Trust and the ensuing investigations. More recently it played an active role in

the closure of Guardian Bank and Trust, and is continuing investigations into malpractice by the bank and its officers.

Mr. Roy Bodden: Mr. Speaker, I would just like to bring to your attention that the Honourable House has only one sheet, so we have not been able to follow the Honourable Member as he read his answer.

Hon. James M. Ryan: Mr. Speaker, my apologies for that. The supplementary information was attached, and that is my fault. The answer ended at the end of the first page.

SUPPLEMENTARY

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: I thank the Honourable Member for pre-empting my supplementary I was going to ask. Mr. Speaker, he is an old 'Miconian', like me, so he anticipated what the logical supplementary question would be.

I was going to ask if the Cayman Islands benefited from any of these seizures on the international level, and the Member partially answered that. I would like to now ask if the revelation and disclosures (the 24) were of an international nature or were some within the jurisdiction of the Cayman Islands

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I am afraid that I will have to give that answer in writing. I do not actually have the breakdown on that.

The Speaker: If there are no further supplementaries, the next question is No. 43, standing in the name of the First Elected Member for George Town.

QUESTION NO. 43

No. 43: Mr. Kurt Tibbetts asked the Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture if there are any further developments regarding the establishment of a Juvenile Remand Centre.

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: The staff of the Social Services Department has completed all the necessary groundwork regarding the establishment of a Remand/Secure Centre for juveniles. Being a very small department in a very small community, the department does not have the specialist expertise within its existing staff group to advise Government on the precise needs both in terms of pro-

gramme and building development of the Remand Centre.

As a result, a project officer has been recruited from a similar facility in the United Kingdom to undertake these duties. In terms of the programme for the Remand Centre, he will work very closely with the Social Services Department. In terms of the construction of the facility, he will work closely with the Public Works Department. The project officer is now in post and has commenced working on an operations' brief.

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Is the Honourable Minister in a position to give an indication as to where this remand centre might be located?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: That is one of the reasons why we have this technical person from the United Kingdom, to take his advice on exactly where this should go.

There have been two or three thoughts on this matter. I favour using the site of what was to be the Dr. Hor- tor Memorial Hospital and developing that into some type of facility. Some people in PWD close to the project prefer another location. But no reasons have been given as to why we could not develop that site as yet. That is as far as it has gone.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I thank the Honourable Minister for his detailed answer. Is the Minister in a position to say if there is any kind of time frame with regard to seeing the project come to fruition?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: As I said, we have not gotten that far. I will tell him that I would like to see it done as quickly as possible, as the need is very evident. We will have to wait and see if the public will tell us to spend the money or not, but it has been a matter pushed for by the Justices of the Peace Association and the Police—in fact, everyone concerned, for quite a long time. I am hoping to get it operational as soon as possible.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Can the Honourable Minister say if a remand home is the same as a juvenile prison?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: The facility, which is under-way, is designed to be a short-term remand facility. It is not designed to be a long-term juvenile prison. It is not meant to meet the needs of those retained during, for instance, Her Majesty's pleasure. It is not a long-term junior prison. If it is determined to be needed, I believe that this site can be developed into such.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Indeed, the need is very obvious, as the Minister has stated. In the meantime, can the Honourable Minister state if the West Bay lock-up is still the venue used, and, if so, are there are plans for improvements, or have improvements been made recently to make the facility a bit more accommodating?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: The West Bay Police Station is still the only resource that we have available, outside of the Cayman Islands Marine Institute which is not a secure facility. That is one of the reasons why I am saying that I hope to have this matter completed as quickly as possible. That is also why I think we should use the buildings at the Dr. Hortor Memorial Hospital site. We would be well underway. At the same time, if there is someone knowledgeable in this type of operation, we have to listen to his advice. I hope it does not differ too much from the Dr. Hortor Memorial site or else it will be a long time before we get one.

The Speaker: If there are no further supplementaries, the next question is No. 44, standing in the name of the First Elected Member for George Town.

QUESTION NO. 44

No. 44: Mr. D. Kurt Tibbetts asked the Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture whether Government would investigate the possibility of erecting a community park on designated land in the George Town subdivision known as Palm Dale.

The Speaker: The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: Government is investigating the possibility of erecting a community park on designated land in the George Town sub-division known as Palm Dale. The Ministry of Agriculture, Environment, Communications and Works, at the request of my Ministry, is presently looking into two parcels of land in this sub-division which could be used for a community park.

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister state if the two parcels mentioned in his answer are presently designated as 'public open space', or are they privately owned?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: That is the dilemma we have in regard to this park requested by the residents, for which we see the need. During the Planning process, the 'open space' was not left in the sub-division. There is no 'public open space.' I understand that it was shown on the map but still remains in the name of the proprietor of the sub-division. We have had a hard time getting property there from individuals for the park.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister state if the present owners of any of these properties have been contacted directly to see if they would agree to doing the required transfer?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: As I understand it (and if I remember correctly), the owners were contacted but are under no obligation. I believe that a hefty sum was being asked.

I certainly believe that there is an obligation, since it was on the map, and since every sub-division should have 'public open space.' Why this one is different, I do not know. I do not understand why it is on the map, yet registered in his name.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Can the Honourable Minister state if the piece of property we are talking about is surrounded by a public road? Is it the piece of property which is like an island, surrounded by public road?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: Mr. Speaker, I cannot say that it is completely surrounded. It is well accessed by roads.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker. I know that I have to ask this as a question, and if you will bear with me it will end up as such. In a conversation with the present owner of one of the properties, I was told that she was quite happy to co-operate. That conversation was a very recent conversation, and my question to the Honourable Minister is if he will undertake to pursue that?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: I am very glad to hear about that change of heart. As I said in the substantive answer, the Lands and Survey Department is investigating this. It is still very active, and I hope that I am allowed to spend the money. I don't want to go begging again.

The Speaker: We have reached the hour of 11 o'clock. I will entertain a motion to suspend Standing Orders in order to continue Question Time.

The Third Elected Member for George Town.

SUSPENSION OF STANDING ORDER 23(7) AND (8) 11.04 AM

Mr. Linford A. Pierson: Under Standing Order 83, I beg to move a motion that Standing Order 23 (7) and (8) be suspended in order for Question Time to continue.

The Speaker: Is there a seconder?

The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I beg to second the motion.

The Speaker: The motion has been duly moved and seconded. I shall put the question that Standing Orders be suspended. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. STANDING ORDER 23(7) AND (8) SUSPENDED TO ENABLE QUESTION TIME TO CONTINUE.

The Speaker: If there are no further supplementaries, the next question is No. 45, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 45

No. 45: Mrs. Julianna O'Connor-Connolly asked the Honourable First Official Member to state whether there are any plans to expand and/or relocate the Creek Police Station on Cayman Brac.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: There are no plans for the expansion or relocation of the Police Station on Cayman Brac.

SUPPLEMENTARIES

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Member say when last any renovation and/or expansion was made to the said building?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I am unable to quote exact dates, although I know that some renovations have been within the last three years. But the question did not actually enquire about renovations. There may be alterations done in due course, depending upon what happens with the 9-1-1 service for Cayman Brac.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Has the Honourable Member been made aware of the fact that there is a lack of office space at the police station at present?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: No, Mr. Speaker, I have not been made aware of this.

The Speaker: If there are no further supplementaries, the next question is No. 46, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

The Member is not in the Chamber. We will go on to question No. 47 and come back to this one.

The Third Elected Member for George Town.

QUESTION NO. 47

No. 47: Mr. Linford A. Pierson asked the Honourable First Official Member if there is a category of Caymanian

Status applications subjected to a moratorium and, if so, what is the category, and the number of applications pending.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: There are two categories of Caymanian status applications subjected to a moratorium. They are, status on the grounds of residency (section 15(1) of the Immigration Law 1992), and status on the grounds of being registered or naturalised as a British Dependent Territories Citizen (BDTC) (section 15(4) of the same Law).

Under section 15(1) (grounds of residency), there are 60 applications pending, and under section 15(4) (grounds of being registered or naturalised as a BDTC), there are 40 applications pending. The moratorium on these two categories has been in effect since October 1990.

SUPPLEMENTARIES

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Can the Honourable Member say whether or not by 'application pending' he means that these applications have not yet been reviewed?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Perhaps yes, and no, Mr. Speaker. The applications cannot be reviewed until the moratorium is lifted. So, in that regard, the answer is no they have not been reviewed. But the other side is that they will not be reviewed unless and until such time as the moratorium is lifted and a quota set.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Can the Honourable Member say whether or not this is the full number of persons who would perhaps be entitled to apply for status under these two clauses? Is that a true reflection of the number entitled to apply?

The Speaker: I think you are asking the Honourable Member to give an opinion, and that is not allowed.

The Third Elected Member for George Town.

Mr. Linford A. Pierson: Would the Honourable Member provide a breakdown of the pending applications according to nationality?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: The breakdown by nationality on applications under section 15(1), that is grounds of residency, is: 35 applications from Jamaica, 8 from the United Kingdom, 10 from the United States of America, 2

from Honduras, 2 from Cuba, 1 from Antigua, 2 from Canada.

Under the category of Registration or Naturalisation, that is section 15(4), there are 24 from Jamaica, 5 from Honduras, 2 from Cuba, 4 from Barbados, 4 from Nicaragua, 1 from the Netherlands.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Since the moratorium has been in effect since October 1990, would the Honourable Member state why the Government is still accepting applications and why fees are not reimbursed when applications are refused?

Maybe I could re-word that. Can the Honourable Member state why applications are still being accepted if the moratorium is still in place?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: The Law does not allow the Immigration Department to refuse applications, and anyone who wishes to put in an application, I suppose is free to do so. I do not know if the Member would like the Immigration Department to say they are not going to accept any more applications, but until something is done to that effect, there is nothing to hinder people from applying. Certainly, Immigration does not seek applications.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I thank the Honourable Member for that answer. I am trying ascertain if it is fair to the public, if a moratorium is in place, for application fees to be accepted, especially when most of the applicants are not aware of the moratorium and not aware that the fees will not be reimbursed.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I am rather surprised at the question, knowing that that Member was part of the Government that put the moratorium in place. In any event, the public knows. I do not think there is a single person in the Cayman Islands who is eligible to apply who does not know that there is a moratorium on these two categories.

As I said, earlier, the Immigration Department does not have any authority to not accept a person's application simply because there is a moratorium. The Immigration Department does not deal with it, it is a matter dealt with by the Governor.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I want to thank the Member for reminding me of that fact, but he still has not answered my question. Regardless of which Government puts

something in place, I think it is the Government in power that operates it.

My question is: If this moratorium is now in place, and it is expected to remain in place for quite a long time to come, is it fair and honest to the public for fees to be taken from them when there is no intention to grant them status?

The Speaker: Honourable Third Elected Member for George Town, that question cannot be allowed. You are asking him for an opinion. I think he has quoted you what the Law says.

If there are no further supplementaries, the next question is No. 48, standing in the name of the Third Elected Member for George Town.

QUESTION NO. 48

No. 48: Mr. Linford A. Pierson asked the Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture what are Government's policies in regard to the provision of low income housing for individuals who are in need of such housing, but who are unable to qualify for the necessary mortgage loan financing.

The Speaker: The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: The published guidelines for participation in the Guaranteed Home Mortgage Scheme clearly sets out the eligibility requirements for borrowers. Basically, if the applicant is a Caymanian, with individual or family income not exceeding CI\$60,000 per year, and will own and occupy the dwelling and does not have sufficient assets to qualify for a standard bank mortgage, he can participate in this scheme.

Applicants who are employed can therefore qualify for a mortgage under the Government's Guaranteed Home Mortgage Scheme. The amount which they can qualify for is determined by their income level. For example, if the applicant's, or the family's, income is only \$1,300 per month, they can qualify for a mortgage of CI\$40,000; if their income is \$3,200 per month they can qualify for a mortgage of \$100,000. Those are joint incomes.

As I pointed out in an answer to a similar Parliamentary question in September 1995, the problem in providing homes for the lower income sector is not their ability to qualify for a mortgage, but the unavailability of homes which can be purchased or built for the amount these persons qualify to borrow.

As I pointed out in an answer to a related question last year, Government has appointed an "Affordable Housing Exploratory Committee" to fully examine and make recommendations for an effective, feasible and acceptable lower income housing initiative for these Islands. This particular sector remains of concern to Government, and includes single-parent families as well

as low-wage earners. This Government fully realises that people who own their own homes are generally more content, have more of a stake in the country and are better citizens as a result.

SUPPLEMENTARY

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: In the substantive answer, the Minister refers to an "Affordable Housing Exploratory Committee." Can the Honourable Minister state how this Committee functions, and what its terms of reference are?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: Mr. Speaker, I think the Member has a substantive question on the Order Paper in regard to that particular supplementary. So, if he permits me, I would prefer to wait until that question comes up.

The Speaker: If there are no further supplementaries, the next question is No. 49, standing in the name of the Fourth Elected Member for George Town.

QUESTION NO. 49

No. 49: Dr. Frank McField asked the Honourable Minister for Agriculture, Environment, Communications and Works if consideration is being given to providing the elected representatives of George Town with permanent office space.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: No provision is currently being made to provide Elected Representatives of George Town with permanent office space. Previously space was made available at the Campbell Building on a temporary basis, but due to requirements of the Education Department, that space was taken back.

I would further state that it is my understanding that upon my recommendation to the George Town MLAs they have met and the matter is now being sorted out.

The Speaker: Are there any supplementaries? If not, the next question is No. 50, standing in the name of the Fourth Elected Member for George Town.

QUESTION NO. 50

No. 50: Dr. Frank McField asked the Honourable First Official Member if there is still a policy limiting the grant of Caymanian Status to persons who can qualify for such status under the Law, and, if so, is there any consideration being given to removing this limitation.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: There are certain categories for the grant of Caymanian status which fall within a prescribed quota. Those categories are Caymanian status on grounds of residency, and Caymanian status on grounds of being naturalised as a British Dependent Territories Citizen. I am unable to provide specific information on the removal of these limitations since this is a policy decision.

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: The Honourable Member stated the two categories which fall within a prescribed quota. Can the Honourable Member state what the quota is for each of those two categories?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: There is no fixed quota under the Law. In the past there has been an instance where the number ten was set as a quota under the category dealing with British Dependent Territory citizenship, and I believe 12 may have been the quota set under the other section. But there is no fixed quota.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: For purposes of clarity, could the Honourable Member state if any applications under these two categories are being dealt with presently, or are they are simply not being handled?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: No application can be dealt with under those categories until such time as a quota is set by the Governor in Executive Council.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: The Honourable Member stated that there are two categories within a prescribed quota. I know that he said there is no official number on that quota, but can he say what numbers the Immigration Board is operating under as a quota?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: The Immigration Board is not operating under any quota because the quota has to be set by the Governor in Executive Council. Unless, and until such time, that is done, then they are all under the moratorium.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: In the interim, would the Honourable Member state whether applications are still being received for these categories?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: It is my understanding that applications do come in from time to time. We have no mechanism for refusing them, but as I said earlier, until a quota is set they cannot be considered.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Based on the fact that these applications cannot be dealt with presently, how is the Immigration Department dealing with these applications (by way of the time when they came in) based on the future possibility of a quota being established?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: It is my understanding that all applicants are told at the time they bring their applications in that the section under which they are applying is under a moratorium. The necessary record is kept of when the application is submitted to the Immigration Board. Beyond that I am unable to say by what process they will be considered, if they are considered at all.

The Speaker: If there are no further supplementaries, the next question is No. 51, standing in the name of the Fourth Elected Member for George Town.

QUESTION NO. 51

No. 51: Dr. Frank McField asked the Honourable First Official Member whether any special consideration is given to readmitting the spouse of a Caymanian to the Islands after a specified period following his/her deportation.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Special consideration is sometimes given to the spouse of a Caymanian to be readmitted to the Islands after a specified period following his/her deportation, Depending upon the reasons given for the proposed journey. Additionally, section 61(2) of the Immigration Law, 1992, provides that the Governor may at any time revoke a deportation order or vary or modify its terms so as to permit the person in respect of whom it is made to enter and land in the Islands for such purpose, and subject to such conditions as may be specified.

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Member state when this was last actually done?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I noticed that Member was on his feet very quickly. The fact of the matter is that I do not have that answer with me. I can probably research it and give it to him in writing.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Certainly, Mr. Speaker.
Can the Honourable Member state if this has ever been done?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Yes, it has been done.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Member state when this was done?

The Speaker: I think you are repeating yourself.
The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Member say what the specified period is in any given circumstance?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Those conditions would be set down by the Governor in Council. I would not be able to state that here.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Pardon me, Mr. Speaker. I am not sure what happened just now. May I ask my question now?

The Speaker: Yes.

Mr. D. Kurt Tibbetts: As the Member did say in one of the supplementary answers that it has been done in the past, can he state when?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I thought I said that I did not have that information with me, and I that I was prepared to provide the answer in writing.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: This might also have to be answered in writing, but I would also seek to find out how many times it has been done in the past.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: For clarity, can I ask the Member to be a little more specific? Does he want me to go back 40 years? ten years? five years? How far?

Mr. D. Kurt Tibbetts: The past five years is fine.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Would the Honourable Member also provide the specific cases and the reasons for deportation in the cases that were reconsidered? Were they mild or harsh crimes?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Each case for reconsideration is dealt with on its own merits. If the Member is asking that I include in my written answer the reasons for those cases, I will be happy to supply that.

The Speaker: We will have to defer question No. 46, as the Honourable Minister for Tourism has not arrived. Will someone please move a motion that under Standing Order 23(5) we defer the question until a later sitting?
The First Elected Member for George Town.

DEFERMENT OF QUESTION NO. 46 Standing Order 23(5)

Mr. D. Kurt Tibbetts: I so move, Mr. Speaker.

The Speaker: Do we have a seconder?

Dr. Frank McField: I so second it.

The Speaker: The question is that question No. 46 be deferred until a later sitting. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. QUESTION NO. 46 DEFERRED UNTIL A LATER SITTING DUE TO THE ABSENCE OF THE HONOURABLE MINISTER FOR TOURISM, COMMERCE AND TRADE.

The Speaker: Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 11.37 AM

PROCEEDINGS RESUMED AT 12.10 PM

The Speaker: Please be seated.
Government Business, Bills, First Readings.

GOVERNMENT BUSINESS

BILLS

FIRST READINGS

THE TRADE AND BUSINESS LICENSING (AMENDMENT) (LICENSING BOARD) BILL, 1997

Clerk: The Trade and Business Licensing (Amendment) (Licensing Board) Bill, 1997.

The Speaker: The Bill is deemed to have been read a first time and is set down for second reading.

THE LOCAL COMPANIES (CONTROL) (AMENDMENT) (LICENSING) BILL, 1997

Clerk: The Local Companies (Control) (Amendment) (Licensing) Bill, 1997.

The Speaker: The Bill is deemed to have been read a first time and is set down for second reading.
Second Readings.

SECOND READINGS

THE TRADE AND BUSINESS LICENSING (AMENDMENT) (LICENSING BOARD) BILL, 1997

Clerk: The Trade and Business Licensing (Amendment) (Licensing Board) Bill, 1997.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I move the second reading of a Bill entitled, A Bill for a Law to Amend the Trade and Business (Licensing) Law (1996 revision); to Establish a Trade and Business Licensing Board; and for Incidental and Connected Purposes.

The Speaker: The question is that a Bill entitled, The Trade and Business Licensing (Amendment) (Licensing Board) Bill, 1997, be given a second reading.
The Honourable First Official Member.

Hon. James M. Ryan: There have been calls in the past from Honourable Members for the establishment of a

Board, to be called the Trade and Business Licensing Board, to process trade and business licences, and licences under the Local Companies (Control) Law. The fact of the matter is that the work load of the Immigration Board has increased enormously in the past few years, and Trade and Business licences and other applications made in accordance with the Trade and Business (Licensing) Law substantially add to that work load.

The short amending Bill today, along with the companion legislation, The Local Companies (Control) Law which we will deal with afterwards, will serve to authorise the appointment of the Trade and Business Licensing Board. The Board will be authorised to consider all applications for licences made in accordance with this Law, and, following such consideration, the granting or refusal of such applications in accordance with the provisions of this Law, the presentation of responses to appeals made under the Law and other such functions that are now conferred on the Immigration Board.

It is proposed that the Trade and Business Licensing Board will be styled in much the same way as the Immigration Board is, in that there will be a Chairman, a Deputy Chairman and seven members all of whom shall be appointed in accordance with the Law. It is proposed that the Chief Immigration Officer, or in his absence, his Deputy, will also be appointed. The appointment of members to the Board will be made by the Governor in Council, and it is proposed that they shall hold office for one year and shall be eligible for re-appointment.

I believe that this is a step in the right direction. I believe it will relieve the enormous pressure which the Immigration Board now has. I believe that it can only make the system function smoother. I accordingly commend this Bill to this Honourable House.

The Speaker: The question is that the Bill be given a second reading. The question is open to debate. *(pause)*

If no Member wishes to speak, would the Honourable Mover wish to reply?

Hon. James M. Ryan: I would just like to thank all Honourable Members for their silent support of this Bill. I look forward to its conclusion.

The Speaker: The question is that the Trade and Business Licensing (Amendment) (Licensing Board) Bill, 1997 be given a second reading. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. THE TRADE AND BUSINESS LICENSING (AMENDMENT) (LICENSING BOARD) BILL, 1997 GIVEN A SECOND READING.

THE LOCAL COMPANIES (CONTROL) (AMENDMENT) (LICENSING) BILL, 1997

Clerk: The Local Companies (Control) (Amendment) (Licensing) Bill, 1997.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I move the second reading of a Bill entitled, A Bill for a Law to Amend the Local Companies (Control) Law (1995 Revision) to Transfer Responsibility for Licensing to a new Board and for Incidental and Connected Purposes.

The Speaker: The question is that a Bill entitled, the Local Companies (Control) (Amendment) Licensing Bill, 1997, be given a second reading.

The Honourable First Official Member.

Hon. James M. Ryan: This is the companion legislation I mentioned earlier. This, together with the earlier Bill, will put the necessary mechanisms in place for the appointment of the Trade and Business Licensing Board. This short Bill simply serves to tidy up the Law and to allow this to be done.

I do not think I can elaborate any further, because the primary amending legislation has already been spoken to. I look forward to seeing this passed.

Thank you, Mr. Speaker.

The Speaker: The question is that a Bill entitled, the Local Companies (Control) (Amendment) Licensing Bill, 1997, be given a second reading.

The motion is open for debate. *(pause)*

If no Member wishes to speak, does the Mover wish to reply?

Hon. James M. Ryan: Only to thank Honourable Members again for their silent support for this short Bill. I look forward to its speedy passing.

The Speaker: The question is that a Bill entitled, the Local Companies (Control) (Amendment) Licensing Bill, 1997 be given a second reading.

I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. THE LOCAL COMPANIES (CONTROL) (AMENDMENT) (LICENSING) BILL, 1997 GIVEN A SECOND READING.

The Speaker: The House will now go into Committee to consider these two Bills.

**HOUSE IN COMMITTEE
(12.22 PM)**

COMMITTEE ON BILLS

The Chairman: Please be seated. The House is now in Committee. As is the normal practise, we will give the Honourable Second Official Member the authority to make any consequential amendments or corrections to typographical errors.

THE TRADE AND BUSINESS LICENSING (AMENDMENT) (LICENSING BOARD) BILL, 1997

Clerk: Clause 1. Short title and commencement.
Clause 2. Interpretation.
Clause 3. Amendment of section 2 - definitions.

The Chairman: The question is that clauses 1 through 3 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSES 1 THROUGH 3 PASSED.

Clerk: Clause 4. Insertion of sections 3A-3H - establishment of Board.

The Chairman: The question is that Clause 4 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSE 4 PASSED.

Clerk: Clause 5. Amendment of section 6 - duration of licences.
Clause 6. Substitution of section 7 - Board proceedings and policy.
Clause 7. Insertion of sections 8A-8C - appeals.
Clause 8. Insertion of section 15A - offences by officers of corporate bodies.
Clause 9. Insertion of section 17 - confidentiality.

The Chairman: The question is that Clauses 5 through 9 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 5 THROUGH 9 PASSED.

Clerk: A Bill for a Law to Amend the Trade and Business Licensing Law (1996 Revision); to Establish a Trade and Business Licensing Board; and for Incidental and Connected Purposes.

The Chairman: The question is that the title do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

THE TITLE PASSED.

The Chairman: That concludes this Bill. The next Bill is The Local Companies (Control) (Amendment) (Licensing) Bill, 1997.

THE LOCAL COMPANIES (CONTROL) (AMENDMENT) (LICENSING) BILL, 1997

Clerk: Clause 1. Short title and commencement.
Clause 2. Interpretation.
Clause 3. Amendment of section 2 - definitions.

The Chairman: The question is that clauses 1 through 3 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSES 1 THROUGH 3 PASSED.

Clerk: Clause 4. Amendment of section 11 - appeals.

The Chairman: The Honourable First Official Member has an amendment to Clause 4.

Hon. James M. Ryan: The notice of the Committee Stage amendment has been circulated. It is that the following paragraph be inserted at the end:

“(c) in subsection (2), by repealing “A licence shall be issued for such duration, not being less than twelve years” and substituting “A licence may not be issued for a duration longer than twelve years without the consent of the Governor.”

The Chairman: The question is that clause 4 be amended.

The Member for North Side.

Mrs. Edna M. Moyle: Under (b) “By inserting the following subsection 1A...” I just wonder if the Honourable Member can explain this for me. It reads: **“(1A)The provisions of sections 8A, 8B and 8C of the Trade and Business Licensing Law (1996 Revision) shall, with any necessary adjustments, apply to appeals from decisions of the Board under this Law.”**

Does that mean any necessary amendments? I don't know about “adjustments.”

The Chairman: The Honourable First Official Member.

Hon. James M. Ryan: May I just consult with the Honourable Second Official Member? *(pause)*

Mr. Chairman, may I have the Honourable Second Official Member explain this since he is the Attorney-General?

The Chairman: The Honourable Second Official Member.

Hon. Richard H. Coles: Thank you, Mr. Chairman. All it means is that instead of reciting the same provisions verbatim in this amending Bill, they are just incorporated by way of reference. If there were any necessary alterations to make it fit in this Bill, then they would be made. Not amendments, but just so that it fits in this Bill without repeating it.

The Chairman: The Member for North Side.

Mrs. Edna M. Moyle: Would those alterations come back to this Parliament to be approved, or how would they be done?

The Chairman: The Honourable Second Official Member.

Hon. Richard H. Coles: They would merely be adjustments to make grammatical sense. That is all.

The Chairman: The Member for North Side.

Mrs. Edna M. Moyle: Can the Honourable Member repeat that? Did he say “grammatical” corrections?

The Chairman: The Honourable Second Official Member.

Hon. Richard H. Coles: Yes, “grammatical.”

The Chairman: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: On the term for 12 years, is it possible with the way it is worded there for a Trade and Business Licence... well, is that the Local Control Business Licence? Is it possible for that to be issued for less than 12 years?

The Chairman: The Honourable Second Official Member.

Hon. Richard H. Coles: At the present time a licence cannot be issued for less than 12 years. In other words, 12 years is the minimum period for which it can be granted. The amendment will repeal that provision and substitute a provision where it can be granted for no longer than 12 years. So it can be granted for any period up to 12 years, but not exceeding 12 years without the consent of the Governor in Council.

The Chairman: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: Would the party have the right to apply for a renewal of that licence once the 12 years has expired?

The Chairman: The Honourable First Official Member.

Hon. James M. Ryan: Since it is a legal question, I would defer to my colleague, but I think the answer is, yes, that it can be done. This amendment would not in any way change what is currently being done.

The Chairman: If there are no further questions, I shall put the question that Clause 4 be amended. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AMENDMENT TO CLAUSE 4 PASSED.

The Chairman: The question is that clause 4, as amended, do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 4 AS AMENDED PASSED.

Clerk: Clause 5. Amendment of section 28 - confidentiality.

The Chairman: The question is that Clause 5 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 5 PASSED.

Clerk: A Bill for a Law to Amend the Local Companies (Control) Law (1995 Revision) to Transfer Responsibility for Licensing to a new Board and for Incidental and Connected Purposes.

The Chairman: The question is that the Title do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

THE TITLE PASSED.

The Chairman: That concludes proceedings in Committee. The question is that the Committee do report to the House. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED. THAT THE BILLS BE REPORTED TO THE HOUSE.

**HOUSE RESUMED
(12.36 PM)**

REPORTS ON BILLS

The Speaker: Please be seated. The House has resumed. Reports on Bills. The Honourable First Official Member.

THE TRADE AND BUSINESS LICENSING (AMENDMENT) (LICENSING BOARD) BILL, 1997

Hon. James M. Ryan: Mr. Speaker, I have to report that a Bill entitled A Bill for a Law to Amend the Trade and Business Licence Law (1996 Revision) to Establish a Trade and Business Licensing Board and for Incidental and Connected Purposes was considered by a Committee of the whole House and passed without amendment.

The Speaker: The Bill is set down for third reading. The Honourable First Official Member.

THE LOCAL COMPANIES (CONTROL) (AMENDMENT) (LICENSING) BILL, 1997

Hon. James M. Ryan: Mr. Speaker, I have to report that A Bill for a Law to Amend the Local Companies (Control) Law (1995 Revision) to Transfer Responsibility for Licensing to a new Board and for Incidental and Connected Purposes was considered by a Committee of the whole House and passed with one amendment.

The Speaker: The Bill is set down for third reading.

I think this might be an appropriate time to take the Luncheon suspension. Proceedings are suspended until 2.15 PM.

PROCEEDINGS SUSPENDED AT 12.39 PM

PROCEEDINGS RESUMED AT 2.32 PM

The Speaker: Please be seated.

Debate on the Throne Speech and Budget Address continues. The Fourth Elected Member for George Town.

DEBATE ON THE 1997 THRONE SPEECH DELIVERED BY HIS EXCELLENCY MR. JOHN OWEN, MBE, GOVERNOR OF THE CAYMAN ISLANDS, ON FRIDAY, 7TH OF MARCH, 1997

-and-

THE BUDGET ADDRESS DELIVERED BY THE HON THIRD OFFICIAL MEMBER, FINANCIAL SECRETARY, ON WEDNESDAY, 12TH MARCH, 1997

(Continuation of debate thereon)

Dr. Frank McField: Thank you, Mr. Speaker.

I would like to briefly summarise my position thus far: What I have been attempting to do in my debate is define what a Caymanian really is, showing the importance of recognising our unique identity at this juncture; and using that unique identity as the core basis for the continuous development of our country on a social and political basis.

I was also dealing with the question of immigration. I think it is important to mention that we also came to these islands in boats—long ago our forefathers came in boats, so we are also immigrants to these shores. Although some came from Africa, and some came from Scotland and Ireland, we mixed together and became one people with one basic identity. So, part of my debate on immigration is to say that if this happened before, it is possible for it to happen today.

I have examined history, and to the best of my knowledge immigration has always been an essential part of human development. In most instances it has led to very positive, very progressive results. Our being here is as a result of immigration. It is a very positive exercise.

The fact is that people have been drawn to our shores as a result of economic factors, or what some people call the “pull factors” (meaning that the conditions within the Cayman Islands were ideal for people outside of the Cayman Islands) and they gravitate to it like fish do to bait. Obviously, it is a very instinctive action to move towards the safe and improved feeding grounds. So, part of my discourse on immigration is to say that it is not abnormal to have immigrants, it is not abnormal to consider ways of assimilating them into our social, political and economic order.

In fact, some of the immigrants here today came back in the 1950s. Some came in the 60s, 70s and 80s, and some have come in the 1990s. I would like to particularly mention those who came in the 1950s, and the contributions they made to these islands. I think that we too often forget about the role which labour plays in building a society, and we only remember the importance of capital.

I would like to refer to a letter by the Chamber of Commerce published in today's *Caymanian Compass*. They said, **“Cayman would not be what it is today if it were not for the wealth brought here by international investors.”** What they are saying is true. I agree that the international investor—which means the foreign person with capital—assisted with, and made possible the economic development of the Cayman Islands. But they are

only seeing one side of the coin, Mr. Speaker, because the development of the Cayman Islands was also made possible by the foreign workers who came to the Cayman Islands, and were willing to employ their skills for the further development of amenities in the Cayman Islands, whether it be hotels, condominiums or whatever.

Some of the workers who came here in the 1950s, 1960s, and, in particular, the 1980s remain here because we continue to experience prosperous conditions. We continue to be a place where investors like to invest their money. As a result we continue to employ skilled and unskilled labour, therefore we are an important centre for immigrant activity. So we have a very important question about immigration.

The question is: How do we continue to develop without continuing to attract immigrants? If we desire to continue to develop economically and physically, we will continue to attract more people since we are not producing these people naturally ourselves. We could not keep up with the natural reproduction at this particular point so we have to gain these bodies from elsewhere.

The challenge we have is how to make it so that we can assimilate at least a section of the immigrant community into our native indigenous community without disrupting the identity and harmony of the Cayman Islands and its people. I do not believe that we are in a society today that is so different from, say, Jamaica or England. We are not all that different. There are similarities—historical and contemporary. We all speak English. Linguistically, we are the same. Culturally, we are similar enough, because religiously we worship the same God.

The most important fundamental similarities for assimilation are already in place. The people coming here from Jamaica and England (the two areas I am concentrating on today) do not have to learn a new language; they do not have to understand a dissimilar religion. What brings us together, the covenant possibility—the idea of one God who made all of us equal—is already accepted. Therefore, philosophically and morally, everything is in place to allow us to further absorb or assimilate those people into our blessed social order.

I am not expounding upon the concept that everybody should become a member of our blessed social order. I believe that it is a position to be reserved for the chosen, for those who we feel have earned and deserve a position among us. But, Mr. Speaker, I feel that the people who have spent 12 years in this country, 20 or 30 years in this country, and have contributed their labour to the building of this country, deserve to have a position of safety and security in this country. We have a place for them because we continue to develop and create jobs, as a result of the interaction between capital and labour in this country—capital as well as labour from abroad.

So, the Cayman Islands has begun to spin and to weave a new society, a new Jerusalem, in fact; a new human experiment; a new human possibility. But to make it really lasting, we are going to have to face one of the most difficult questions related to immigration: How are we going to allow others to have the same rights and privileges that we have ourselves?

It is very difficult for anyone to say at the end of the day, "I feel that the other person should have the same rights as I should have." We say this, but when the time comes to distribute those rights, we say, "No, no, no. He should not have it. I should have it all." That is the basic nature, again, of the human animal. He is selfish. Therefore, we need to make the laws that will cause us to objectively make decisions about people's rights, and not subjectively decide whether or not someone should have the right or not.

We have to establish certain criteria for the integration of others into our social and economic order. I think it will cause more social harmony in the future, I think it will cause less dissension and I think that it will promote and make solid our economic foundation.

I think, before we can determine if the indigenous Caymanians will lose anything, we have to decide at this particular point if we have gained anything in terms of our development. I have said that we have gained, and that we have prosperity to protect. We are not here to protect linguistic purity, cultural ethnic purity, or racial purity. We are here to protect prosperity. We can only protect prosperity when we begin to make sure that we at least have at our disposal within the confines of these islands, the labour we need for our continued development and the maintenance of what we have already achieved. I think it is very important to understand that we are not suggesting that we take positions away from Caymanians.

We are not saying that future Caymanians will not have positions because we advocate that status be granted to those who have been among us long enough to deserve it. What we are saying is that if we have 13,000 jobs today, we will probably have 30,000 in the next 15 years. It is the nature of the development of the social mechanism that it has to grow. It has to change—and it either changes backwards or forwards. I prefer to imagine that our growth will be forward and progressive and not regressive and backwards.

There will be a demand for new people. There is a demand for new ideas. There is a demand for a new spirit. There is a demand for the re-birth of a nation that is conscious of its goals, that is conscious of its ideals. Therefore, because of the security that we have as individuals, we can have productive relationships with other people from other places. We can be like America in that a German and a Pole can be an American. A Jamaican and Englishman can be a Caymanian in the Cayman Islands. There is nothing at all to fear about this.

We should not be fearful of the fact that we have to continue our immigration policies, because they were retarded 200 years ago. Obviously, the Cayman Islands would have ended up with more people back then had the economic conditions existed at that time for further settlement. The reason why we remained the size we were was because there was no economic challenge or stimulus within the society to bring forth a larger population.

Every time we start to plan we realise that our numbers are small. But we must plan like every other country plans—we must have a hospital, an immigration service,

a prison service, a police service, we are finding that we must now have a juvenile detention service, we must have schools—all of the amenities of larger societies. But the people who are really paying for it are those people who are permanently resident here at this time, which means the indigenous Caymanians. We are the ones who are paying for this, and we need to bring in others to assist us in paying for all of the services and amenities that we need and enjoy at present.

The more people we have building homes, the less the indigenous Caymanian (the first arrivals) will have to pay in indirect taxation, because it will be spread over a larger group. I imagine that we could have a construction boom that is not stimulated by the building of new office buildings or of new hotels, but by the construction of new homes because people feel secure enough to build their nests here because this is where they will roost.

We have the space. We have the possibility to be the type of people that influence others by our ways and our ideals. Rather than being people who are 'ruined' by other people, we will be people who inspire others to be more like us. That is what assimilation really means: It means that people become like you, not that you become like them. You only become like them when you are insecure about who you really are. It is the host country that has the responsibility to show exactly what its values are all about, therefore causing the new arrivals to adapt to those values and to hold them sacred.

Every time we pray in this Legislative Assembly we say "Thy Kingdom come, Thy will be done on earth as it is in heaven." I listen to that every time we meet here, because we always say the Lord's Prayer. How many times do we have to say, "Thy Kingdom come..."? What is His will? His will is that we learn to live together as human beings—as children of the same Father.

When those economic opportunities are ideal for this type of assimilation, then we, as Christians, should take advantage of those possibilities. As I said, we all have one Father in God, but we all want to have barbed-wire fences dividing us. I think there should be a challenge given to us as Christian people to make a greater effort to accept people as truly being our brothers.

The Indians did not know anything about citizenship, but they knew about brotherhood. Therefore they could be blood-brothers. They could cut their wrists and mingle their blood, and they knew what a covenant was. They were covenant partners. That is what it is all about. Why is it that we cannot become covenant partners with people simply because they come from a different part of the iron shore?

I am saying that, ideally, the conditions are here because we have not attracted the immigrant from Timbuktu, but from those places that are very similar to the place in which we reside. Therefore, solving our immigration question, which is not only an economic question but also a moral question, is not impossible. All we need to do is resolve to have it done. Again, I am not advocating that everybody be given these rights, but I am saying that there are those among us who have been here long

enough and should be rewarded by being made a part of our blessed social order.

I would like to mention that the Government, in its attempt to deal with all of these problems, needs revenue. It needs finances. Believe it or not, immigration in the Cayman Islands places stress on the school system, on the medical system, on the police system, on immigration—on all of the systems. But immigration is still necessary for our economic well-being, because we did not have the capital or the labour to make economic prosperity. Therefore, the burden immigration causes has to be borne by the people who benefit from it. That includes everybody—not just the Caymanian, but the investor who needs the labour also.

If we bring in hundreds of girls from Holland, England or Ireland to work in the Hyatt, or the Westin and the different hotels, we need to have police out there. We need to have immigration officers. We need to have a host of people employed to see that they conduct themselves in a particular manner while they are in this country, and that they receive certain types of benefits while they are here. For instance, if they fall ill, they must have a hospital they can go to, an ambulance to pick them up. All in all, Government is having to bear the cost of all of this development, and there are people who are not ready to get involved in assisting the Government in paying for these services from which we all benefit.

I have said that if someone sells a piece of property, they sell it as an individual. They give up their individual rights to that property. But the state does not get rid of that property. That property remains the property of the state in that the state has the same rights and jurisdiction over that property whether or not it goes from one individual to another. Somehow, even when we sell our land to foreign developers and they develop hotels and condominiums there, Government is still responsible for that land. It is still responsible for what takes place, and what type of building goes up on that land; how the people who work there, or who visit there, are treated. Government is still responsible for all of those things.

Government's responsibility is increased because of development. If there were a bit of cocoplum bush there, owned maybe by Truman, then we would find that Government's responsibility would not be so much. But if you remove the cocoplum bush and build the Westin, then the responsibility becomes immense. When the manager gets on the telephone and asks for some police officers, pronto! we have to make sure the car does not break down on the way! So Government has to pay.

When people say that Government is getting bigger and bigger, like the Chamber of Commerce is saying, what about the island getting too big then? Somehow, if the island is getting bigger, Government will get bigger. If there are more people, there will be more crime; and if there is more crime, there will be more demands for police; and there will be more demands for court space and judges.

Look at the impact. Look at the short time frame in which all of this has happened. A 20 or 30-year period is a very short time for people to jump from one type of ex-

istence to another. Of course, that will have its traumatic effects, and we will see this in the people.

Then they will say that we are giving hand-outs so that we can buy votes. Well, I'm not saying that you will not get votes by helping people, but I would not say that you help people to get votes. You help people because you feel that is what is expected of you. I am saying that we rush from one type of existence to another.

We want to make it all functional. We don't want to regret the fact that we have come this far. So we need the cooperation of the private sector. We need the understanding of the Chamber of Commerce, but we do not need them to bully us into thinking that we are all about lack of intelligence, and bad intention.

When the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation writes off over one million dollars in fees owed to the Government because of overseas expenses—They can say that it is wasteful, that he should collect it, or that he should imprison the people who owe the money. But if they say that, they would not be understanding our way of life; they would not be respecting our value system. Since we are going to assimilate them, rather than them assimilating us, they are going to have to come to understand us, rather than us having to understand their position. We need to proceed from our position.

All the talk about the fact that Government needs to get rid of some of the red tape, and take its hand out of this and stop interfering in that... look at what I have said about immigration. They have accepted the position that it is necessary, but have not accepted the fact that Government should be interfering in it. Government should have a perspective on it as a result of the overall consideration and not just the consideration of a particular special interest group.

The Chamber of Commerce is saying that Government needs to get smaller, that it should privatise the non-essential services. What are those services? The Prison? Customs? Immigration? Tourism?

Mr. Speaker, I see in the Budget that we are spending over \$9 million on police salaries. We are saying that if one tourist gets hurt in this island we could lose a lot of business. The private sector supports us in this assumption. So it is very important that we put police officers on the streets to prevent crime. What do people ask? They ask: What are those policemen doing? That's what we all ask about everybody anyway. We all ask: What is he doing? Unless you are doing it, you won't know what he is doing.

What we are interested in are the results. Are we getting the results? Are we controlling crime? Are we keeping it at bay? Are we making those people who are coming here feel safe and happy when they see a Royal Cayman Islands Policeman? When they see the police cars on the road and they don't look like some rat-trap car, do they feel confidence? Do they feel the wealth that they come here to visit? As rich people, they want to be associated with wealth. If they want to be associated with wealth, we have to project an image of wealth. So, all-in-all, Government has to do a lot.

Government has to create and maintain the conditions for economic prosperity and social harmony. I guess that the concept of privatisation is a foreign idea. It is not a Caymanian idea. It does not evolve from assimilation; it comes from someplace else. It was, perhaps, a relevant concept in places like Great Britain. A lot of the big companies in England were losing so much profit as private companies that the Government had to step in and buy them out to save them, because the fact was that those industries were considered to be very important to the continuation of social and political harmony in Great Britain.

When those industries began to make money as a result of the economic boom and prosperity in the 1980s, they started to function again—this is my theory—they were sold back to private individuals. The private individuals they were sold to were Englishmen. I do not believe that they were Arabs, or Frenchmen or Germans. They were Englishmen. The situation was that those industries remained in the hands of the people who the English population felt they could trust with the security and economic well-being of the country.

We have already started to develop in this country with a lack of capital. We have already started to develop with a lack of labour and skills. As a result, we have put ourselves in a unique position of having to attract capital and labour. Now, it has meant that when we look at the worker, he is not always from here. When we look at the owners of business, they are not from here. Yet, the Chamber of Commerce has continued to advocate that we privatise. Privatise into whose hands? Who will own these industries if we continue to privatise? Can we really feel safe at the end of the day if our industries are completely owned by people who are not a member of our blessed social order?

With two of the utility companies in these islands, CUC and Cable & Wireless, we have a special situation because we have bent over backwards for them. We have allowed them to amass profits that they have then turned into investments and improved the condition of communication and electricity in this country. Granted, they have done that. But in the end, Mr. Speaker, they will be the richer for that, not us. The people of the Cayman Islands, the consumers, have paid a dear price for these companies. At the end of the day, they are nothing other than monopolies. But we don't have any rights to question their efficiency because the assumption is that as long as it is owned privately, it must be working all right.

I have a problem with the Chamber of Commerce and somebody called me this morning saying that they agreed with a lot of what I said. But they said, "You're not treating the Chamber of Commerce right."

I said, "If I didn't know that the Government was negotiating with the Chamber of Commerce over the weekend before they went out on their demonstration, then maybe I would have said something different about the Chamber of Commerce, and the Council of Associations. But I knew that the Government was talking to them."

Their not having the patience to wait to see what the results would be, but going out saying, "We will do this if you don't do that..." I think those are pretty stern measures.

A gentleman said to me this evening, "It's the same people who continue to make fun of us and say that we are like the Banana Republic. And that we got our foot up our mouth." But he asked, "Have they been to these Banana Republics? Have they seen the number of cemeteries? A lot of those cemeteries were as a result of people starting peaceful demonstrations, and they were shot because they had no rights to express their feelings or their views. This is not a Banana Republic, this is a common sense democracy. There is a big difference."

I do not know whether or not they pay for this ad in the *Caymanian Compass*, but they have a position article continuously printed about what they believe these things should be. But they are not offering us any significant arguments. They are not really showing us how these things are supposed to be done. They are basically expressing propaganda ideology. Anybody can do that, but can they manage and balance the factors that we are here to manage and balance? I say no!

We have developed very rapidly and have kept our people from becoming resentful and jealous to the extent that they become destructive and disruptive. We have maintained social order by being the buffers between those who have and those who do not. But we cannot do this without dollars in our pockets. We need funds to act as a buffer between those who have and those who do not.

The fact that we have had so much juvenile crime, and so many divorces in our society is the result of traumatic stress which is a result of dramatic changes and confusion of values. Psychiatrists will tell you, that it is a state of confusion or a state of being uncertain and insecure about one's self. Yet, we did not try to stop development, we continued down those roads. Now pay-back time is here and we have to repair the roads that were dug up by the tanks when they went to war.

They have problems in West Bay, in particular, which I spotted 20 years ago. Somehow they were struggling with the question of who they were, what they were and what they were going to become. I am not going to say that someone coming along and offering them a football is going to solve the problem, but perhaps we can occupy them long enough to at least come out with some kind of meaningful solution to what their ailment is. While the doctor is trying to find a diagnosis, and perhaps even treatment, maybe he needs to entertain the patient slightly so that he can rectify the situation.

The social development programme in this country, which is costing money, is something that is necessary because it acts as a buffer, a gentle means of persuasion (to use sociological terms). In other words, the child is being gently persuaded to abide by the law and to not become a criminal. That is what the whole programme is about—trying, somehow, to indoctrinate the children with positive behaviour and to move them away from negative behaviour.

Negative behaviour is a result of the confusion in the socialisation process, confusion which begins in the home and does not stop at the school. The socialisation process becomes confused. We do not know what we want our people to be. Sometimes the parents just give up, and we need to go in there and say, "Either we build prisons for them, or we build playfields for them."

Nobody can offer any conclusive proof that prison is a solution for bad behaviour. The United States probably has more prisons than any place in the world, and their crime rate keeps on rising. I do not think we should say that we should not have prisons, but the intermediary solutions, like constructive physical activities for our children, are also necessary.

It is interesting that this is where the Government seems to have failed, according to the Chamber of Commerce and the critics. They say that the Government has spent too much money on sports and recreational activities. But I remember, when I went to the United States in 1964, going into an American gymnasium. I started exercising. It was compulsory to go to the gym every day, because President John F. Kennedy said that it would be good for the country when the people rediscovered the value of physical education. In those days, when they started physical education, the people who worked in offices were skinny. They did not walk and exercise, exercise was not a part of leisure activities. But today we are being told how useful physical activity really is.

People fall down and die of heart attacks. But where are poor people supposed to physically exercise and play? On the golf course? At the tennis club? At the racket club? At the squash club? Where are we supposed to find access to recreational activity if the Government does not provide it?

Hon. W. McKeeva Bush: Hear, hear!

Dr. Frank McField: So, while they criticise, they should remember that behind all that Government attempts to do is a desire to improve the condition of the majority of people living in these islands.

The Government does not take the position that it has to tear down our prosperity by making Government too big. The Government does not take the position that it does not want to listen. But the position certainly is that we should know what is best for us at this particular stage in our development and in our existence.

When I go down to where my people call "Harlem" in George Town, and see the conditions there; and when I see that we built the country and developed over the past four years without people knowing what playfields were and not knowing what pensions were—How come people at Holiday Inn did not know what a pension was? How come our merchants did not know what pensions were ten years ago, 20 years ago and 15 years ago? How come they did not know these things? How come nobody tried to introduce into our system any creative and progressive reforms? How come we have had to wait so long to get the reforms in this country (which are necessary to redistribute wealth) to the extent where Cay-

manian people feel that they are being well taken care of? How come we have had to wait so long for this?

I believe that all I am doing here is attempting to give this Parliament a perspective, to give this Parliament a theoretical understanding of what it has been doing for at least the last four years; and that what it has been trying to do is to create in the Cayman Islands what we had 50 years ago—which was a little Garden of Eden. This is not going to be done if we have those who have billions of dollars and those who have billions of problems. Somehow we have to get in between as mediators and take up the awesome task of trying to convince those who have to make some of their funds available for those who have not. At the end of the day, whether or not you have, you are still a human being in God's eyes, and you are still regarded by Him.

I would just like to come to a point in my delivery by saying that I tried, when I was running for election, to say that I was an independent candidate and that somehow what I wanted to see develop as far as politics in the Cayman Islands, was a less partisan position and a more patriotic position—a Caymanian position. I think the time has now come when we can truly say that we know where we are going. We know what we are going to do with this country. We are going to give this country back to God. That is what we are going to do!

Although the church cannot (and does not) come in here, the church has its influence. The influence it has spread in this country over the years has been this same type of humanising influence. That is one reason why I refer to the Biblical saying about charity and one reason why I compliment the Minister for Health for his concern about the health of the people of these islands.

I had an opportunity to tour the hospital. It might be an expensive project, but I think that it is a project the people can get healed in, and feel good in. In all of the building we must remember that even in medicine a person will be healed if they have contact with others. Even when one is physically sick, he can be healed by reaching out to other people.

It is the same with social ills in our society—we need to be able to reach out to other people, and they will reach out to us; this will help us get rid of our problems. But if we say to ourselves, "They have the problem, leave them with it. We are not going to do anything to help with the problem." That is wrong. They will continue to have that problem. But, if we become interested and involved we will help to solve these problems.

It is interesting that the Family Life Survey is coming into play. I bet that at the end of the day we will see that the sociologists who have studied the conditions of the families in the Cayman Islands will have taken into account many of the things I have mentioned—the question of identity, the fact that we need to give our people a positive identity, that we need to show people that we are positive role models.

Nothing I am saying means that I support a welfare state, or quitters. I had my time in this country in a very difficult position—but I did not quit. So, I am not supporting quitters. I am saying help the person who is holding

out his hand, saying, "Please, I am a member of your humanity." Help those people. Do not give up the control of the resources which are necessary to do that.

We own this country. Regardless of whether or not people have bought into it, it is still our oasis. We must manage it in that way. I am asking the public, in particular, to understand that part of what the Budget was all about was an attempt to deal with the very difficult problem of managing this country in such a way that it remains the beautiful Cayman Islands that we should all dream of having.

Mr. Speaker, I think it is about time that I leave the microphone. I would like to thank you, sir, for your attention, and I would like to comment briefly about Cayman Brac. I don't know very much about the Brac, but I have a feeling that I will somehow get to know it. If there is anything I can do to support what it is you are trying to do over there, I am willing to put myself at your disposal.

The Speaker: Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 3.27 PM

PROCEEDINGS RESUMED AT 4.00 PM

The Speaker: Debate continues. Does any other Member wish to speak? *(pause)* I will ask Honourable Members to not hesitate too long because the country needs the Budget approved. *(pause)*

No other Member wishes to speak? *(pause)* I feel confident other Members have much to say, but we cannot wait too much longer. *(pause)*

If no other Member wishes to speak, I will call upon the Honourable Third Official Member to reply.

Hon. George A. McCarthy: Thank you, Mr. Speaker.

If I were to say that I am not surprised, I would be misleading you, because I really did not expect that we would be at this stage so quickly. Obviously, I would have appreciated having some time to collect my thoughts in order to clearly respond to some of the concerns and ideas advanced since the presentation of the Budget in this Honourable House. Anyway, under the circumstances, I will advance my views on certain things.

First of all, I must thank the Members who spoke, and I have to say to the Fourth Elected Member for George Town that I have received a very useful lesson in sociology! I must say that I appreciate quite a number of the ideas he advanced.

Among the many things which have been said concerning this Budget is that initially the Government had intended to raise \$52 million with the revenue measures as presented to this Honourable House. Although this was very far from being realistic, quite a number of individuals seem to have held on to this position, which obviously was not the case.

This was arrived at by taking the Budget for 1997, as presented, for \$254 million, and subtracting the approved Budget for 1996 of \$202 million in order to arrive at this

\$52 million. But as I outlined during the course of the Miscellaneous Revenue Bill, the sum the Government really sought to achieve from these measures would have been in the region of \$14 million. The impact of that on the average Caymanian family, taking into account those increases, would have amounted to approximately \$37 per month.

Shortly after the Budget Address was presented, the television station used two examples in their analysis. The first one was how the average Caymanian family would be penalised by the stamp duty increases. I think that very little thought was taken of the abatement. It was said (and quite a number of people hold this view) that very few Caymanian families today can purchase a home for under \$125,000. This may be so. Quite a number of people in this island fall into that category. Not everyone enjoys the affluence that some may enjoy. The first example was of an average Caymanian family (or person) earning, say, \$2,000 per month, stating that in order to get a mortgage of, let us say, \$130,000 or more, it would cost so much, extrapolating those increases.

Mr. Speaker, the average Caymanian making \$2,000 per month cannot afford a mortgage of \$125,000. I called some of the banks to find out what the monthly repayment would be on a mortgage of \$125,000 over a period of 20 years. I was told that this would be approximately \$1,308 per month, based on current interest rates.

The argument was extended a bit further to say that if this person wanted to purchase a vehicle costing \$30,000, it would result in a further increase of approximately \$400 or \$500 in import duty. The average person earning \$2,000 would not have been affected by the increases because the car that the individual would be able to afford would be in the range at which the duty remains at 27.5%.

I again called several of the banks and was told that a person borrowing an amount of money in excess of \$20,000 over a period of four years at current interest rates would be paying in the region of \$600 to \$700 per month. Now, how can a person earning \$2,000 per month afford a mortgage repayment of \$1,308 and a car repayment of \$700? Evidently, this was intended to dramatise the issue.

I think that the Fourth Elected Member for George Town underscored the democratic process very well, where the Government and the people can sit together and deal with issues of concern. This is what was done to address the areas of concern the community at large had, and where I think quite a bit of misinformation was given out as well.

Notwithstanding that, it was a very useful exercise for the Government and the Association representatives (or members) to sit down and hear the views that were shared. The Government was not necessarily in agreement with all of the views expounded, but on a whole, I think that recognising the sensitivity that was shared was good governance, and certain revisions were made to the original measures as proposed. As a consequence of making these adjustments, of which Members have already been advised, the amount that will be yielded from

the revised revenue measures will be in the region of \$7.1 million. The difference between that and \$14 million will have to be addressed by increasing the Loan Bill as initially presented to this House by \$8,500. Therefore, we will have a Loan Bill brought forward in the region of \$16 million.

With this increase, and with the likelihood that the Government will have to draw down on these funds, interest costs will be incurred. Even if a moratorium is obtained on principal repayment, interest will have to be repaid. This, depending upon the cash flow of Government, could range in the region of \$.5 million. So this will have to be carefully looked at.

There is also one item of Capital Expenditure that will have to be adjusted by approximately \$1 million. I am putting Members on notice of that. It has to do with the Mail Sorting Centre at the Airport. The approximate amount needed for 1997 is in the region of \$1.7 million. However, \$700,000 were put in the Budget. The reason is that during the course of the Budget review discussions, the Minister responsible for that subject was very ill and had to seek medical attention. There is the common idiomatic saying "When the cat is away [other creatures] may play." As a result, having to balance the budget, that was one area where some reductions were made.

As a consequence, there is a shortfall and the Minister has outlined that he would still like to get the project on stream and operational for the year 1997. So, he will be needing the full amount that PWD originally advised his Ministry. Because of that, and recognising the importance of this and the integral part of the infrastructure it forms, the Government has decided to assist the Minister.

The area of impact fees is currently under review. An analysis is being made on the implication of these fees. A team has been put together comprised of persons from the Economic and Statistics Department and the Planning Department and the Lands and Survey Office in order to look very carefully at the impact of building activities within the construction industry and to make a determination as to what would be a reasonable alternative for the Government to consider. They will use that position as a backdrop to consider the alternatives that will be advanced by the Council of Association Members.

It was never intended that the Government would do anything as now being acclaimed. I am made to understand that persons have taken the view that we are on a very 'slippery' path. The Cayman Islands may not be standing up well in international circles because of the differences which have arisen over the budgetary issues.

It must be expected that there will be differences of opinion in any society. In fact, when I returned to my office last Wednesday, there was a call from the television station. They were seeking confirmation on a report that I had thrown my papers down at the Legislative Assembly and was fed up with everybody, and walked out of this House. Prior to that, there was also a rumour that I had submitted my resignation.

In my home, I have my wife, my two daughters and a helper. There is barely a time during the week where

we are all in agreement. Any time they can't agree with each other, they usually pick on me! Fortunately, I have a dog (*laughter*), so I pick on him! But, this is natural, in terms of human beings interacting in any society. I believe it is right, because even if what is put forward by the Government is very clear, parts of the community will want further clarification, and it is necessary to sit and come to an understanding.

When we look at the meeting which took place at the Lions Centre, and I am not going to castigate or criticise anyone... we can vent our feelings, but we have to do so constructively. We are no longer the islands that time forgot. We have competitors in the region and throughout the world.

About six or seven months ago there was supposedly a report made by President Clinton on jurisdictions of concern relating to money laundering, and certain Asian countries were mentioned. One country became upset and it asked, "What about advanced jurisdictions like the Cayman Islands?" Now, for me to sit in Grand Cayman and hear that a Finance Minister in Thailand has passed a remark about the Cayman Islands... I thought, initially, that it was something I should respond to. But, on the other hand, I felt that the name "Cayman Islands" was a household word—we are recognised throughout the international financial community. Therefore, whatever we do here, we must think in terms of the implications.

While at the local level we understand the issues, someone far removed from the issues cannot interpret what is happening within the context of the daily, domestic living within the Cayman Islands and could misconstrue these things. We have to bear in mind that not only what we say, but what we put to print goes out there, because someone looking at other off-shore jurisdictions, and looking at the Cayman Islands, may feel that we are on a slippery path not knowing where we will wind up in another three or four years. So this may not send the best message. We have to recognise that we are all a part of this society.

I think the Fourth Elected Member for George Town expounded on that very well in terms of the camaraderie and cooperation, and that all of these factors are necessary for us to co-exist. We may not fully agree, but we can exist with some harmony in the society as a whole.

I think we have a budget that is well considered. There are areas which we need to look at very carefully. We have had to upgrade the Financial Services Supervision Department because we recognise that we have close to 600 banks under our direct supervision. We must have the institutional capacity to cope with the demands placed upon the Government and the country as a whole. We have to be fully satisfied that everything in the Cayman Islands comes under the purview of the institutions in place, and that we have the necessary competence and expertise. We must be satisfied that the businesses we have in the Cayman Islands are businesses of substance and credibility.

We do not want money from questionable sources here. We do not want business from questionable sources here. That is why the Government made the de-

cision some time ago to look carefully at putting in place the Proceeds of Criminal Conduct Bill. Some of our critics in the international community have said that we were pushed into this by the United States of America. That is not so.

I keep referring to the remarks of the Fourth Elected Member for George Town, but this is based on our conscience. Just as I would not go out there and do something harmful to another human being in order to get ahead, I do not want anyone who would have benefited economically from such activities bringing their money to the Cayman Islands. We don't want it. This is a wholesome society and we have to maintain it.

Today, the Financial Industry provides employment opportunities for approximately 4,000 persons. We know that we have a mixture of individuals out there. The only thing I would call upon this sector to bear in mind is that training opportunities must be provided. It is very important to maintain social harmony. We cannot have all of this development taking place that leaves behind any sector of the indigenous population.

I think that when we move forward together, as in this common march, it spells progress. We do recognise that some will not benefit from this progress, but as pointed out so well and so eloquently by the previous speaker, we have to all participate in this. Everyone has a role to play. Therefore, this is the type of society that we want to maintain.

Having to adjust the Loans Bill to approximately \$16 million will increase the public debt from \$41 million to approximately \$57 million. We know that not all of those funds will be drawn down during the course of the year. This is an area, regardless of how we try to introduce discipline, it cannot be refined to the point where the expenditure on the capital side equals the amount budgeted. I would regard it as responsible action on the part of any Ministry, to know that adequate provisions have been made to finance the projects in progress.

Although we are looking at a capital programme approximating \$45 million, it is likely that at the end of the year, with the best management in place, we will only be able to spend between \$37 million and \$40 million. But, at the same time, if \$1.7 million is needed for the Mail Sorting Centre at the Airport, it would be somewhat unrealistic to provide \$1.2 million. It is better to err on the side of caution, than to find ourselves not budgeting correctly.

During the first week of May, we will be getting someone to come in from the National Audit Office from the United Kingdom. Most of the review carried out on the Public Finance and Audit Law has already been done by the Director of Internal Audit, who is a Caymanian and a qualified CPA. She has several of her team members with her who are also qualified accountants. They have developed the terms of reference for the officer who will be coming in and I am sure that what will emerge as the final piece of legislation will be acceptable to all.

We could have gone elsewhere and picked up pieces of legislation, and there are useful pieces of legislation out there. But we have to develop something indigenous to the Cayman Islands. Although we will find

consistency within the accounting field, within finance and financial applications, in economics there is a certain uniqueness which is necessary. Paper trails are required elsewhere. We require them here, but I do not think that we can get away from this position of trust.

We do not want legislation that will create bureaucracy where when someone goes to Treasury to pick up a cheque and the cashier is not there, that policy does not allow another officer to hand the person his cheque. So, while we are looking very carefully at streamlining the financial procedures of Government, we have to bear in mind the indigenous expectations.

The Debt Collection Unit is working very well. The last time I checked with the Treasury Department they collected over half a million dollars by direct collection. Assistance was being provided to other departments of Government, such as the Health Services Department. They were quite satisfied and now other departments are coming forward to seek the assistance of the Debt Collection Unit. So it is well established and is earning its keep.

Overall, this is not going to be the end of the Budget in terms of winding up on this, because everything is an integrated process. I think the reform measures that have been outlined by the Governor will have to be factored into the Budget process at some point in time. Wherever efficiency is achieved, that will hopefully translate into meaningful end results.

Therefore, as we now prepare ourselves to go into Finance Committee to consider the Budget, there are areas that I will not touch on in my winding up, because if I had expected to make my winding up contribution this afternoon, I would have been in an entirely different position. As you, Mr. Speaker, and Members of this House are aware, the Government will be continuing to have meetings with the Association representatives to look at building permit fees and the impact fees to come up with a solution that will contribute to the revenue yield of the Government.

It is very important that finances be carefully and prudently managed. Measures are in place and are constantly being refined. There is nothing at any point in time that cannot be criticised. I saw a recent article that suggested that the Financial Management of Government needs to be looked at very carefully. But when you have 2,000 people, and close to 40 departments of Government, and when you have autonomy being given to controlling officers, I do not think the risks will necessarily outweigh the benefits in terms of having controlling officers as decision makers participate in the activities of running their departments and deciding what projects to pursue. Anytime a centralised authority is put in place to dictate everything that should be done, that destroys initiative. At the end of the day I do not think that we will be further ahead. The autonomy necessary for the individual to develop goes out the door.

So, I would like to say that I am thankful to those Members who have spoken, and those who have not...

The Speaker: Honourable Member, would you rather adjourn and finish tomorrow?

Hon. George A. McCarthy: I will be winding up shortly.

The Speaker: Please continue.

Hon. George A. McCarthy: As I was saying, I am very thankful to those Members of this Legislative Assembly who have contributed and also those who remained silent because they have shared their views with me on the areas in which they needed clarification. I know that when we go into Finance Committee everything will be looked at in detail.

Everyone is very much concerned, and the Government is committed that prudent management structure be in place and making sure that value for money is obtained, and that at the end of the day we emerge and continue to nurture a society that we are committed to and that we want the best for. We all recognise that none of us can claim to be the fountain of all knowledge. It is when we pool our ideas together, and share our views of the issues taking into account the concerns of others that we maintain the democratic process and continue to foster an environment in the Cayman Islands where we can all live, and that our children will not necessarily read about in the history books but will experience themselves.

More importantly, I have travelled throughout the region and throughout the world. I have seen practices in Cayman which are unique, some of which I would like to see retained. When the average person on the street can visit the Governor's Office, or the Chief Secretary's Office, the Attorney-General's Office or my Office, or the different Ministries, and talk directly to the Ministers or Permanent Secretaries and can ask for clarification and reconsideration, that is a wholesome and healthy society. This is the society I would like to see maintained into the future.

Thank you, Mr. Speaker.

(Applause)

The Speaker: The question is that the Appropriation Bill, 1997 be given a second reading. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. THE APPROPRIATION BILL, 1997, GIVEN A SECOND READING. THE BILL, TOGETHER WITH THE DRAFT ESTIMATES, STOOD REFERRED TO THE STANDING FINANCE COMMITTEE (S.O. 63).

The Speaker: I will now entertain a motion for the adjournment.

Hon. Truman M. Bodden: Mr. Speaker, I move the adjournment of this Honourable House until the conclusion of Finance Committee.

The Speaker: The question is that the House do now adjourn until the conclusion of Finance Committee. I shall put the question. Those in favour please say Aye... Those against No.

AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned.

AT 4.39 PM THE HOUSE STOOD ADJOURNED UNTIL THE CONCLUSION OF THE STANDING FINANCE COMMITTEE.

ADJOURNMENT

**EDITED
THURSDAY
17TH APRIL, 1997
10.16 AM**

The Speaker: I will ask the Fourth Elected Member for George Town to say prayers.

PRAYERS

Dr. Frank McField: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed.

Presentation of Papers and Reports. Agricultural and Industrial Development Board Report for the year ending 31st December, 1995. The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

**PRESENTATION OF
PAPERS AND REPORTS**

**AGRICULTURAL AND INDUSTRIAL DEVELOPMENT
BOARD REPORT FOR THE YEAR ENDING 31ST DE-
CEMBER, 1995**

Hon. W. McKeeva Bush: I beg to Lay on the Table a Report of the Agricultural and Industrial Development Board for the year ending 31st December, 1995.

The Speaker: So ordered.

The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: "As Chairman of the Board and Minister for Community Development, I am very pleased with the Ministry's leadership in bringing about the change in the Board's role from that of a provider of credit for human resource development to one of executing agent for the Government of the Cayman Islands in the administration of the Guaranteed Student Loan Scheme. Given the strong demand for student loans over the past few years, and the inability to obtain resources for on-lending from the Caribbean Development Bank on satisfactory terms, it was evident that a new way had to be found to fund student loans outside of Budgetary support. As the competing claims for public funds from other sectors did not make it possible for budgetary support to be a realistic long-term option, the private sector was the only viable alternative. Being cognisant of this, my Ministry seized the initiative and approached a number of the leading commercial banks with a view to getting them to make funding available on concessionary terms to support the human resource development needs of the country. The rest is history.

"It is an established fact that seven local commercial banks, namely, Bank of Butterfield International (Cayman) Ltd., Bank of Nova Scotia, Barclays Bank PLC, British American Bank, Cayman National Bank, Ltd, CIBC Bank and Trust Company (Cayman) Ltd., and the Royal Bank of Canada agreed to make CI \$1.75 million available for lending to Caymanian students to pursue tertiary level courses at eligible local and overseas institutions. The response to this initiative has been overwhelming and my Ministry is now engaged in discussions with the Banks with a view to their making additional resources available for lending to students under the Government Guaranteed Student Loan Scheme.

"I look forward to the AIDB continuing to make its presence felt not only in the human resource sector but also in the funding of small business development projects in agriculture, industry and tourism. It is my hope that with its diminishing role as a provider of credit for human resource development will come an enlargement in its role as a provider and facilitator of credit to small businesses in key growth

sectors of the economy. I also hope that this effort will be grounded in strong technical support to Caymanian entrepreneurs in a wide range of relevant business opportunities."

Mr. Speaker, I can say that I am actively pursuing new funding because new demand are always being made on the Board and Cayman's economy is growing. Caymanians need to be encouraged in their entrepreneurial role in taking advantage of this growing economy. All that we can do in this aspect, we, as a Board, intend to do.

"In closing, I wish to express my thanks to fellow board members, and the management and staff of the AIDB for their hard work and dedication during the year."

The Speaker: Questions to Honourable Members/Ministers. Question No. 52 is standing in the name of The Third Elected Member for Bodden Town.

QUESTIONS TO HONOURABLE MEMBERS/MINISTERS

QUESTION NO. 52

No. 52: Mr. Roy Bodden asked the Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture to state the number of: (a) full-time students; and (b) part-time students at the Cayman Islands' Marine Institute and to provide the cost per annum, per student, in the two categories.

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: The answer to part (a): During 1996 the Cayman Islands' Marine Institute (CIMI) operated at almost full capacity for most of the year.

Month	Full-time	After-care	Total
January	29	2	31
February	29	3	32
March	29	4	33
April	27	5	32
May	26	4	30
June	25	2	27
July	23	1	24
August	23	1	24
September	25	-	25
October	25	-	25
November	23	-	23
December	22	-	22
Avg. Enrolment	25.5	1.8	28

The CIMI programme is designed to accommodate a total of 31 students. The only students who can be referred to as part-time students are those on after-care. They are students who complete the programme for a

period of three months prior to graduation under very close supervision. This is a part of the requirement for graduation. They are, however, still registered as full-time students of the programme.

After graduation these students are still supervised for an additional three months. If the Institute feels that they are at a stage where they can function on their own, the monitoring ceases. If it is felt that they still require some support, the supervision continues. Students from the John Gray High School who attend the Institute can be termed full-time as they attend six hours per day, i.e., from 3 pm to 9 pm.

Additionally, while at John Gray High School they are closely monitored through the Senior Master or Senior Mistress and are also closely supervised during weekends whilst at home.

A total of 36 students were served during 1996.

The cost per student per annum was CI\$22,395.00. It should be noted that it costs Government approximately CI\$99,084.00 per annum to maintain one child at the gazetted overseas' institutions such as Kid's Peace.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Minister say if the students who are referred from the High School take the same subjects at the Institute as they would have at the High School?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: They will take some, not all, of the courses—English, Math, the basic ones. They take courses designed to change attitude.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Minister say if students who have reverted back to regular classes at the High Schools have to be returned to the Cayman Islands Marine Institute or does the monitoring allow them, once they have passed through, to remain in the normal High School setting?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: I do not have that information, but I can provide it in writing.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: For students attending the Institute full time, what arrangements are made for visits with their families? Are they allowed weekend furloughs to visit their families, especially prior to moving back into the home setting?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: Presently they do not have a lot of students who are staying on campus. So they all go home. But those we do have on the campus go home on the weekends and they are monitored. In fact, the ones who attend on a daily basis are also monitored.

The Speaker: If there are no further supplementaries, the next question is No. 53, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 53

No. 53: Mr. Roy Bodden asked the Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture to state if there have been any incidents of drugs' discovery on the campus of the Cayman Islands Marine Institute over the past year.

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: During 1996, very small quantities of Marijuana were discovered on two different occasions on the campus of the Cayman Islands' Marine Institute.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister tell the House how these discoveries are dealt with?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: The Marine Institute has a policy of regular drug searches, and carries this out on a daily basis. Upon arrival at the Institute, each student is searched before being allowed to enter. There are random searches in the residential section.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister say if the treatment at the facility for students who were re-

ferred for having drug problems differs from students referred for other behavioural reasons?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: Certainly, there is a programme in place for students needing drug counselling. That would differ from those who are not so in need.

The Speaker: If there are no further supplementaries, the next question is No. 54, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 54

No. 54: Mr. Roy Bodden asked the Honourable Minister for Education, Aviation and Planning when the National Education Curriculum will come into effect.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

DEFERAL OF QUESTION NO. 54 Standing Order 23(5)

Hon. Truman M. Bodden: Mr. Speaker, I would ask that this question please be deferred until tomorrow morning. I am not in a position to answer it right now. My notice was a bit short on that one.

The Speaker: Under Standing Order 23(5), the question is that Question No. 54 be deferred. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. QUESTION NO. 54 DEFERRED.

The Speaker: Question No. 55, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 55

No. 55: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister for Tourism Commerce and Transport (a) How much money has been spent on tourism advertisement for Cayman Brac and Little Cayman for the period November 1992 through November 1996; and (b) How does the amount spent compare with the years November 1988 through November 1992.

The Speaker: The Honourable Minister for Tourism Commerce and Transport.

Hon. Thomas C. Jefferson: During the period of November 1992 to November 1996, \$32,343,000 was spent on advertising and collateral. Of that total, 66%, or \$21,545,000, was spent on materials which included Cayman Brac and Little Cayman information. It has not been possible to verify what amount was spent on Cayman Brac and Little Cayman for the period November 1988 to November 1992.

SUPPLEMENTARY

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister say whether it is envisaged for similar amounts to be spent while he has responsibility for that Ministry?

The Speaker: The Honourable Minister for Tourism Commerce and Transport.

Hon. Thomas C. Jefferson: My intention is that we would be more specific in advertising promotions for Cayman Brac, in particular. I think it is fair to the lady Member to say that the advertising done in 1988 to 1992 actually listed at the bottom of each advertisement the names of the three islands. I don't believe it specifically had too many photographs of Cayman Brac and Little Cayman.

During the last three to four years we have included many different scenes in all of our advertising for Cayman Brac and Little Cayman as a whole package of the Cayman Islands. Within the last 12 months we have also done additional promotions specific to Cayman Brac alone.

The Speaker: If there are no further supplementaries, the next question is No. 56, standing in the name of the Fourth Elected Member for George Town.

QUESTION NO. 56

No. 56: Dr. Frank McField asked the Honourable First Official Member if the system of controlling the entry of performing artists to the Islands is working to the satisfaction of Government and the public, including those persons applying for permission to bring these performers to the Islands.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: There is no system in place to control the entry of performing artists to the Islands. Work permits are necessary for all artists wishing to perform in the Islands and, except for non-secular events, all persons applying for temporary permits for performing artists are required to submit video tapes of the performance to the Chief Immigration Officer along with the application.

The policy of requiring video tapes of the performance before a temporary permit is issued has been accepted and welcomed by those people involved in the promotion of performing artists and this policy goes a long way toward ensuring that the quality of performances is in keeping with acceptable community standards.

SUPPLEMENTARIES

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Member say whether there is any policy in place for following up this system whereby once the video is reviewed that someone actually shows that there was no misrepresentation on the video provided?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Quite frequently applicants or persons bringing in performers, will extend an invitation to Immigration staff to attend the performance. In general, the performances have been in keeping with what was on the video. I have on one or two instances asked that a specific officer attend where concern has been expressed to me prior to the performance. Generally, since this policy has been put in place there have not been many complaints.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: I wonder if the Honourable Member could say whether or not there have been any delays in people being granted permits, and if there have, has this affected their ability to have the shows performed in the Cayman Islands?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: As long as the applicant provides a video that can be used to determine the content of the proposed performance, and as long as the application is submitted to the Immigration Department in time to be processed, there are no delays.

I believe that on one occasion an application came in very late in the evening and there was no video. There was a delay, but that was the result of the applicant not submitting the video with the application.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: I wonder if the Honourable Member could say if any guidelines have been provided for the Chief Immigration Officer, or is it left to his absolute discretion?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Initially when this was introduced, certain general guidelines were set down. These were the result of comments and concerns by members of the public. The Chief Immigration Officer and his team have been able to monitor the situation. In fact, we are at a stage today where the issue is almost policing itself and I am generally pleased with the way it is working.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Seeing that this is a very controversial area, would it not be deemed prudent for either Executive Council to set down guidelines or take recommendation from the Chief Immigration Officer so that he will not be burdened with unnecessary complaints that he is being subjective and/or otherwise?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I am surprised that the First Elected Member for Cayman Brac and Little Cayman refers to this as a controversial area. I was not at all aware that it was a controversial area. It was when it started, but the matter is almost policing itself. Unless we get complaints about the way it is going, I do not anticipate the need to set down any specific instructions to the Chief Immigration Officer.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Perhaps I should have been a bit more specific in my question. I have received representation from various members of the church community, as recently as a few weeks ago. Information was passed on to the Honourable Minister and there is concern. Might I go on record stating that it is now time to look at the type of material coming into the islands, because there is still a sector of the Cayman Islands community that considers themselves Christian?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I discussed the issue the First Elected Member for Cayman Brac and Little Cayman passed on to me with the Chief Immigration Officer. The comment in the newspaper was very general and not really specific enough for any action to be taken. That, in fact, was the only point raised that might go anywhere near being called a complaint in recent times with the matter.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Just on a point of clarification. I know I am a freshman, and that can be used to 'whip' me into shape, I suppose. But am I under the wrong presumption? Am I not supposed to ask questions? From Finance Committee until here this morn-

ing— through facial expressions and otherwise—I feel that I am being chastised and reprimanded. If that is the case, perhaps I can be directed otherwise.

The Speaker: If there are no further supplementaries, the next question is No. 57, standing in the name of the Fourth Elected Member for George Town.

QUESTION NO. 57

No. 57: Dr. Frank McField asked the Honourable First Official Member responsible for Internal and External Affairs if a Deputy Director of Broadcasting has been appointed and, if not, when will one be appointed.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: A Deputy Director of Broadcasting has not been appointed because there is no such post in the staff complement of the Department of Broadcasting. There are no immediate plans to recreate the post of Deputy Director of Broadcasting.

SUPPLEMENTARIES

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Can the Honourable Member could give an indication of whether or not there is a policy regarding this non-appointment?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: It depends. It varies from department to department and sometimes a post may be called by another name by the person who would serve as a "Deputy."

The Speaker: The Elected Member for North Side.

Mrs. Edna M. Moyle: I wonder if the Honourable Member would say if there is a procedure in place at the Broadcasting section of Government for someone to work closely with the Director and, if so, why can a position of Deputy not be provided once again in order to use the potential of that staff member?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Perhaps it is necessary to give a little background to this. In 1992 the post of Deputy Director of Broadcasting was in place. The post holder left and the post was advertised. A candidate was interviewed and chosen, however, he chose not to accept it.

Later on the department moved from the Portfolio of Internal and External Affairs to a Ministry and the department went through a reconstruction period when the down-sizing was done, and there was an amalgamation with GIS. The Deputy Director's post was deleted. The department has since come back to the Portfolio of In-

ternal and External Affairs and more recently the GIS has been separated from it.

The post which is vacant is called 'Broadcasting Operation Officer.' It was advertised in 1995 but no suitable candidate applied for the post. It was advertised again in 1996 and interviews were held, but none of the applicants met the minimum qualifications. The Director submitted to the Public Service Commission a succession plan and flattened the structure where about three officers rotated through the senior positions to gain experience with the hope that along with experience and training we will find a Caymanian who will be suitably qualified for the post sometime in the not-too-distant future.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Can the Honourable Member give an indication of what procedure would take place if the Director of Broadcasting fell ill or died tomorrow and could not do his job?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: The Director of Broadcasting is currently on leave, but Radio Cayman has not closed down. The Department is running efficiently.

I mentioned having about three senior officers being rotated through the various posts and gaining experience. That is simply just another way of dealing with the matter. The post of Deputy Director of Broadcasting does not exist. But, as the saying goes, "A rose by any other name, is just as sweet."

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member say when the vacancy for Deputy Director of Broadcasting was advertised if any of the staff currently working at Radio Cayman applied? If so, why were they not chosen?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: It is my understanding that on one occasion when the post was advertised two Caymanian staff members and one non-Caymanian staff member applied. I was not at the interview. The Public Service Commission was involved in the interview and it was determined that there was no one suitably qualified. I do not think I can say more than that.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable First Official Member say if there is any training programme in place at Radio Cayman which allows Caymanian staff mem-

bers, or those who are legally employed there, to prepare themselves for such a position?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Yes, as part of the succession plan, the Director of Broadcasting has put in place the attending of formal training, both locally and overseas, as well as attachments to radio stations in small to medium markets to gain first hand experience.

The Speaker: The Elected Member for North Side.

Mrs. Edna M. Moyle: Can the Honourable Member tell us what qualifications are required to fill this position, and how do they compare to the qualifications the Director of Broadcasting holds?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: The advertisement for the post was published in the *Caymanian Compass* and is public knowledge. I do not have the qualifications for the Director of Broadcasting with me, but the qualifications, briefly, for the post of Broadcast Operations Officer, is a minimum of two years of college level courses, preferably in broadcast technology, with emphasis on broadcast sales and journalism; at least seven years combined radio broadcasting experience in announcing, radio sales and supervision of radio news of which two years must be at supervisory level. The post holder should also have training in management supervision and broadcast news journalism. Public relations, analytical, technical and programme production skills are essential.

The Speaker: The Elected Member for North Side.

Mrs. Edna M. Moyle: Those qualifications sound more like we are trying to fill the Director of Broadcasting post. That is just a comment.

I think there is a young lady who was just transferred to the Portfolio. I wonder if the Honourable Member would say what qualifications that young lady held while she was in Communication section and Broadcasting? How many years did she spend at the radio station?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: First of all, there was nobody transferred to my knowledge. The young lady from the department applied for a job in another department, a Ministry, and was successful. She simply moved to a new position.

I do not have her qualifications with me.

The Speaker: That concludes Question Time for this morning. Statements by Honourable Members/Ministers of the Government.

Statements on Training, the Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

STATEMENTS BY HONOURABLE MEMBERS/MINISTERS OF THE GOVERNMENT

STATEMENT ON TRAINING

(11.00 AM)

Hon. W. McKeeva Bush: Mr. Speaker, I am pleased to give this Honourable House an update on a joint Ministerial initiative which is being undertaken by my Ministry and the Ministry of Education for the encouragement of a structured training philosophy for the Caymanian work force. May I also say from the outset that I attended the Second Global Conference on Lifelong Learning in Ottawa Canada in March, and was impressed by the overriding theme of this conference, which was, that investing in human capital is an important strategic choice for the individual, the business and the nation.

In today's rapidly changing world and our global market place, lifelong learning is a matter of survival. Whether this learning takes place in a formal education setting or whether it takes the form of on-the-job training, or daily accumulated experience, it is a wise investment in our shared and bright future. This type of thinking is what we hope will guide the articulation and implementation of this joint Ministerial initiative in partnership with the private sector.

One of the accepted strategies of the 1995 Report of the Manpower Development Advisory Committee is the introduction and stewarding of a Comprehensive National Training initiative. This initiative would seek to mobilise the business community to address the gaps in skills for all willing Caymanians covering the vocational level up to the professional level of competency in all sectors of our economy.

In order to clearly define the philosophy surrounding this matter and to co-ordinate the implementation of the initiative, my Ministry, together with the Ministry for Education has convened an Advisory Committee to refine a draft discussion paper and action plan as a pre-requisite for the action of the National Training Initiative. The Committee will be asked to review the recommendations of the Manpower Development Advisory Committee which was approved by Executive Council in June 1995 and tabled in the House in July 1995. It will also develop a statement of philosophy for training which will reflect these recommendations, and will advise on how this philosophy can be translated into action.

The Committee would work closely with the incoming consultant and will guide the implementation of the initiative through the development of a blue print for action involving programmes and/or activities. The Committee will closely monitor the implementation of the policy to gauge its effectiveness as well as its acceptability by all concerned.

The Members of the Committee are: Mrs. Edna Moyle, JP, MLA; Mrs. Vicki Moss-Solomon (Cayman National Bank), representatives from the Ministry of Community Development and the Ministry of Education; Mrs. Lois

Kellyman (Cable & Wireless); Mr. Chris Phillips (Cayman Contractors Assoc.); Mr. Orrett Connor and Mrs. Linda Evans from the Immigration and Personnel Departments, respectively; Mr. Brian Hunter (Chamber of Commerce representative); Dr. Parsan of the Statistics Office; Mr. Victor Green (Chief Inspector of Schools); and Mr. Sam Basdeo of the Community College.

I am also pleased to report to this House that the Commonwealth Secretariat (General Technical Assistance Services Division) has approved my Ministry's request for the services of a Project Co-ordinator, Human Resources Development; this assistance will be for a one-year period. They are in the process of identifying suitably qualified candidates for the position and a short list of candidates will be submitted to us for consideration and final selection in the near future.

This technical assistance is structured such that the Commonwealth Secretariat will be covering most, if not all, of the costs of the consultant. The Project Co-ordinator will serve in an advisory capacity and will be responsible for assessing current strategies or initiatives, as well as implementing and co-ordinating the development of accepted/approved programmes or policies, this will be done under the direction of the National Training Initiative Advisory Committee. The Project Co-ordinator will also be required to assess the capability of the Human Resources Department, in particular whether any institutional strengthening may be necessary in order to implement the approved programmes and initiatives in the medium to long term. The Co-ordinator will enjoy a close working relationship with the Ministry and the Department, as well as with the Committee. It is hoped that an officer in the Department can be attached to the Co-ordinator in order to assist, under-study, and carry-on the work after the completion of the consultancy.

As this Honourable House is aware, for years there have been concerns expressed about the absence of consistent training programmes and policies on career development for willing Caymanians. Government too is concerned about training and long-range career development as a means of fostering sustainable economic development and continued labour tranquillity. Government is of the view that with the right partnership between the Public and Private Sectors it is possible to achieve very high standards in education and training.

Caymanians have the ability and desire to advance in education as well as in their careers; there has to be a shared responsibility to see that equal opportunity is afforded to Caymanians. The over-riding objectives of this project are to encourage a voluntary approach to workplace-sponsored training and career development, established within a structured framework where all parties know their obligations and expectations. In addition to Government acting as a partner and in an oversight capacity, it would also co-ordinate efforts, as well as network with local and international bodies to promote cost-effective initiatives.

The subject of Workplace Training and Career Development is a major policy of this Government, and continues to rank very high on my Ministry's list of priorities.

I will keep the House abreast all developments with regard to this important initiative.

In this regard, I am pleased to announce this morning two programmes: I am pleased to give this Honourable House a report on an initiative which is to be launched by my Ministry through the Community College of the Cayman Islands in the upcoming academic year.

One of the accepted strategies of the 1995 Report of the Manpower Development Advisory Committee was that continued reform and modernisation of our vocational education and training system was crucial, and this would require the commitment and leadership from Government, employers, employees and training institutions. The objectives of a proper vocational or technical training system must include the following:

- ◆ Recognised and certified qualifications which are suited for Cayman's employment, and provides value to all parties;
- ◆ Allows the acquisition of skills which are needed for upward mobility on the job, as well as allowing further study leading to the highest level of professional attainment.
- ◆ There should be recognition and reward for the resulting qualifications;
- ◆ Incentives and an environment of partnership should be fostered amongst all participants.

It is these principles upon which my Ministry has proposed this training programme initiative to be offered through the Community College. The programme is being styled "Cayman Training Initiative"(CTI). Members have the brochure about it on their desks this morning. It will begin with supporting two Certificate programmes for the Hospitality Industry workers. It is the first phase of implementing a comprehensive Training Initiative for the three Islands. This training programme will focus on Technical and Tourism training; the two Certificates to be offered by my Ministry through the Community College in September are: the Professional Cookery Certificate, and the Hospitality Studies Certificate.

The Professional Cookery Certificate is designed to give the student a comprehensive grounding in professional food preparation and production. Students will gain an understanding of culinary tasks including Short Order Cooking and Classic Cuisine. Graduates of this programme will be well prepared for entry-level positions in Cayman's food service industry. Courses in this programme are: Business Mathematics, Business Communications, Life Skills, Food & Beverage Production, Food & Beverage Service, Purchasing and Cost Controls, Safety and Sanitation, Short Order Cooking, Classic Cuisine, Caribbean Cookery, A La Carte Cuisine, Tourism Studies, and Work Experience.

The Hospitality Studies Certificate is designed to give the student a broad overview of the hospitality industry. Students will be trained for a variety of entry-

level positions such as Front Desk, Line Cook, Room Attendant, Food & Beverage Service etc. Courses in this internally assessed course are: Business Mathematics, Computing, Business Communications, Life Skills, Food & Beverage Service, Purchasing and Cost Controls, Housekeeping, Front Office Administration, Safety & Sanitation, Tourism Studies, and Work Experience.

Honourable Members of this House will appreciate that while we are utilising the existing facilities (physical plant) and faculty of the College, this programme will include a number of tailor-made components in its curriculum.

The fundamental improvement and attraction to this programme is the full scholarship to be given to all eligible students, as well as the stipend. The Tuition and Book fees at the College for Caymanians is presently CI\$500.00 per year. In addition to covering these costs, my Ministry will also be awarding each eligible student up to CI\$200.00 per month for 10 months out of the Academic Year. The disbursement of the stipend will be administered by the College, and the quantum to be given to students per month will be in accordance to attendance, punctuality, effort, behaviour, work ethic, etc. They will be graded as (A) excellent, (B) Good, (C) Fair, (D) Weak, (E) Unsatisfactory.

Caymanians (including status holders) as well as those with close Caymanian connections, such as those married to Caymanians, Caymanian descent with a right to gain residency or status, are some of the eligibility requirements for participation in this programme.

All of us know of the tremendous career opportunities which exist within our Hospitality Industry, and the salary growth and other benefits which can be derived therefrom if our people apply themselves. This initiative will hopefully assist many Caymanians at all levels to confidently enter the hospitality industry and to capitalise on the career opportunities therein.

My Ministry and the Community College will be meeting with representatives of the Hotel and Condominium Association to discuss the content and structure of the proposed Certificate programmes, particularly how they can be an active partner in this mutually beneficial undertaking.

My Ministry and the Community College will also be embarking on a bold awareness and recruitment drive within the schools and all districts (including Cayman Brac) in the near future. A major feature of this drive will be a series of motivational presentations entitled "Acres of Diamonds." It is an up-beat series highlighting the lucrative careers in the hospitality industry of the Cayman Islands. This will be held at the East End Civic Centre, the George Town Town Hall, the North Side Civic Centre, the West Bay Town Hall, Bodden Town Civic Centre, Cayman Brac and the high schools throughout the island.

The objective is to motivate all of the youth of the Cayman Islands to become involved in the hospitality industry; to guide, direct and educate the youth of the Cayman Islands with a view of them looking at the hospitality industry as a viable and attractive career choice; to

stimulate interest from all sectors of the Caymanian population, regardless of the industry they are presently engaged in to develop a practical understanding of the benefits of the tourism industry to the Cayman Islands on a whole, and to themselves in particular.

The key topics to be discussed at those presentations will be:

- 1) "Attitude is Everything."
- 2) "Diamonds in the Hospitality Industry."
- 3) "Is this the right career choice for you?"
- 4) "Caymanians in the local work place."
- 5) "The courage to follow your dreams."
- 6) "Stairways to success."
- 7) "Unleashing your potential."

These presentations will be participative in nature and will involve group discussions. The motivator will be Mr. Spence Fenderson.

I trust that all Members of this Honourable House and the general public will give this initiative the support which it deserves.

PROJECT PREPARE

Hon. W. McKeever Bush: Members will recall that in May of 1996 I made a statement in this House regarding certain initiatives that the Ministry through the Department of Human Resources was then taking with a view to developing a job placement and reintegration programme for ex-offenders.

I am very pleased to announce today that development of this project has now reached the stage where we can begin its implementation. This programme is entitled: "Project Prepare."

Project Prepare stresses career exploration and readiness. It provides a one or two day per week voluntary work experience in conjunction with classroom training. The genesis of this programme is to facilitate the rehabilitation of ex-offenders and the unemployed in society. By attacking the problem from an educational perspective the Ministry, through the Department of Human Resources, hopes to create standards that will enhance the development of these individuals in society. Our goal is to move away from the traditional way of rehabilitating these individuals to a more progressive and reward-incentive approach to better address these individuals in changing their attitudes through behaviour modification.

During each class session, the project will be instructing and motivating a group of ex-offenders and unemployed adults who have a wide range of abilities and disabilities with diverse backgrounds and experiences. The Department of Human Resources will be responsible for providing ex-offenders and the unemployed with an individualised plan of instruction in reading, writing and mathematics. We are responsible for designing continuous, structured educational programmes that will prepare ex-offenders and the unemployed for work and for counselling ex-offenders and the unemployed concerning the availability of occupational, vocational and

alternative educational programmes suitable to their needs and interests.

In addition, we will encourage ex-offenders and the unemployed to take responsibility for their own education and to cooperate with their classmates in order to share the abilities and skills they have acquired. Our ultimate goal is to help ex-offenders and the unemployed become independent.

It is important to note that the mainstreaming of ex-offenders and the unemployed is a long term commitment to social integration. The primary goal is to prepare these individuals to become productive citizens in society. That means that ex-offenders and the unemployed must not only improve skills in reading, writing and mathematics, but also master time management and other employability techniques and attitudes. Another important goal is acquiring the qualifications for entrance into the employment market and job training and educational programmes.

With this project, my Ministry and the Department of Human Resources are embarking upon a new frontier. At the core of this is education and career guidance and other vital strategies will help us enhance development of these individuals in our society. It is our vision and belief that the road to social rehabilitation is central to the development of these individuals.

This curriculum is viewed as an ongoing process that will be refined and improved as it is implemented and adapted to reflect recommendations from other professional bodies. As the programme develops, the Department of Human Resources will open the road to social rehabilitation for the ex-offenders in the Cayman Islands with an aim to providing positive social change to help move these individuals into the main stream of society where they can participate in a productive manner.

We anticipate that programme implementation will take place during June of this year using the approach of re-education and re-training with core focus on the practical application of knowledge and skills that these individuals will have acquired. Their prior knowledge will be the impetus to social development as they become active participants in their own social change developing a sense of who they are and what they are capable of doing resulting in a well-spring of confidence building.

Some of the criteria for assessment of participants for the programme are as follows:

- ◆ Mainstreaming assessment criteria for ex-offenders: The Age Factor in assessing ex-offenders in the programme placement:
 - (a) Male and female offenders 17-28 years of age;
 - (b) Ex-offenders 29-40.
- ◆ Offence Factor:
 - (a) The nature of the offence;
 - (b) The sentencing time.
- ◆ Education Factor:
 - (a) What is the offenders education level;
 - (b) How long has he/she been out of school;
 - (c) How important is education to the offender?
- ◆ Skill Factor:
 - (a) What is skill level of the offender?

- (b) How are these skills acquired?
- (c) Have these skills been utilised in the past?
- (d) Are these employable skills?
 - (i) Is it necessary to up-grade the offender's skills?
 - (ii) Is the offender skill-ready?
- ◆ The substance abuse Factor:
 - a) The reason for incarceration. Was it drug related?
 - b) How long has the offender been involved with drugs?
 - c) What kind of drugs?
 - (i) Cocaine;
 - (ii) Marijuana/Ganja;
 - (iii) Alcohol.
 - d) Has the offender had drug intervention treatment?
- ◆ The Incentive Factors for long-term success:
 - a) Skilled offenders will be placed in a work programme;
 - b) Vocational counselling as needed;
 - c) A stipend will be paid to each offender who maintains a C average or who successfully completes a required programme;
 - d) Drug counselling, social skills and attitude counselling.
- ◆ The Attendance Factor and Programme Placement:
 - e) If offenders fail to maintain 100% attendance in any programme outlined and administered by the Department, except for excused absences, the stipend will be reduced by a daily rate and the offender may be subjected to disciplinary action and counselling;
 - f) Progress of offenders will be monitored by a Labour inspector;
 - g) Labour inspectors will make impromptu visits at the work site or place of education to offer encouragement and support.
- ◆ Co-ordinating the programme:
 - a) Utilising existing resources;
 - (i) Community College
 - (ii) ICCI College
 - (iii) In-house training.
 - b) Counselling ex-offenders and referrals.
 - (i) To bridge the gap between employer and ex-offender.
 - (ii) Bridge the gap between educational institutions and ex-offenders.
 - (iii) Monitor ex-offenders.
 - c) Networking with the private sector.
 - (i) Exposing the ex-offender to the private employer.
 - (ii) Workplace training.

Much of our work on Project Prepare to date, has been subsequent to detailed consultation between staff of the Human Resources and staff of Her Majesty's Prison in Northward. Our immediate goal is to link the Prison's educational component with the Department of Human Resources Project Prepare.

Prison staff have already begun to work with the Department by providing data on prisoners scheduled to be released in the coming months. It is anticipated that one aspect of this co-operative effort will be that the Department will complement the Prison's training efforts by facilitating outside educational and counselling programmes for prisoners prior to their release through Government or private institutions, or both.

Upon release from Prison, deepening upon the circumstances, ex-offenders will continue in these programmes and enter expanded programmes or begin part or full time employment, or perhaps a combination of some of the above. Other agencies, such as the Community College, Social Services, the Counselling Centre, various other Government Departments which already employ ex-offenders, or who may be able to offer such employment in the future, and, of course, the private sector will need to become involved in these efforts.

Preliminary consultation to date leaves us confident that these entities will be eager partners in working towards the betterment of society by making project prepare a success. In the case of previously released prisoners who are having difficulty in finding jobs or who are unable to readjust to a work environment, we intend to initiate various efforts at the appropriate time to establish contact with them, including publicised district visits in order to incorporate them into Project Prepare.

I am very pleased with the way Project Prepare is being developed to suit our particular Caymanian needs. Members will appreciate that much work remains to be done, therefore a more detailed report is not possible at this time. It must be recognised that these efforts to make productive citizens of ex-offenders will carry a price tag, a portion of which Government will have to bear.

I can say, as I informed Members in Finance Committee the other day, that a vote is in place in the Budget for this programme. Some ex-offenders will have to be subsidised while they are attending various classes and/or learning on the job. On the other hand, such expenses as may be necessary to make Project Prepare successful will be but a drop in the bucket, when compared to the cost of allowing the current revolving cycle of in-and-out of prison by so many of these offenders to continue.

I trust that this statement has provided some useful information to this Honourable House. I urge both the private and the public sector to give their full support to this crucial socio-economic initiative when it becomes operational in June. I will make periodic reports to this Honourable House as the programme develops.

I thank you, Mr. Speaker, for your indulgence as these statements have been long. These are programmes that I would have announced in my debate, had I the opportunity to debate the Budget Address and Throne Speech.

While I am on my feet, I will crave your indulgence to say that when the unexpected cut-off came to the Debate on the Budget Address and Throne Speech, I was away attending a funeral in my constituency.

The Speaker: Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 11.37 AM

PROCEEDINGS RESUMED AT 12.15 PM

The Speaker: Please be seated. Government Business, Bills. Third Readings.

GOVERNMENT BUSINESS

BILLS

THIRD READINGS

THE TRADE AND BUSINESS LICENSING (AMENDMENT) (LICENSING BOARD) BILL, 1997

Deputy Clerk: The Trade and Business Licensing (Amendment) (Licensing Board) Bill, 1997.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Mr. Speaker, I beg to move that a Bill entitled, A Bill for a Law to Amend the Trade and Business Licensing Law (1996 Revision) to Establish a Trade and Business Licensing Board and for Incidental and Connected Purposes, be given a third reading and passed.

The Speaker: The question is that a Bill entitled, The Trade and Business Licensing (Amendment) (Licensing Board) Bill, 1997, be given a third reading and be passed.

I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. THE TRADE AND BUSINESS LICENSING (AMENDMENT) (LICENSING BOARD) BILL, 1997, GIVEN A THIRD READING AND PASSED.

THE LOCAL COMPANIES (CONTROL) (AMENDMENT) (LICENSING) BILL, 1997

Deputy Clerk: The Local Companies (Control) (Amendment) (Licensing) Bill, 1997.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Mr. Speaker, I beg to move that a Bill entitled, A Bill for a Law to Amend the Local Companies (Control) Law (1995 Revision) Transfer Responsibility for Licensing to a New Board and for Incidental

and Connected Purposes, be given a third reading and passed.

The Speaker: The question is that a Bill entitled, The Local Companies (Control) (Amendment) (Licensing) Bill, 1997, be given a third reading and be passed.

I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. THE LOCAL COMPANIES (CONTROL) (AMENDMENT) (LICENSING) BILL, 1997, GIVEN A THIRD READING AND PASSED.

The Speaker: Bills, First Readings.

FIRST READINGS

THE TAX CONCESSIONS (AMENDMENT) (UNDERTAKINGS) BILL, 1997

Deputy Clerk: The Tax Concessions (Amendment) (Undertakings) Bill, 1997.

The Speaker: The Bill is deemed to have been read a first time and set down for second reading.

THE GOVERNOR (VESTING OF LANDS) (AMENDMENT) (DISPOSITIONS) BILL, 1997

Deputy Clerk: The Governor (Vesting of Lands) (Amendment) (Dispositions) Bill, 1997

The Speaker: The Bill is deemed to have been read a first time and set down for second reading.

THE LOAN (CAPITAL PROJECTS) BILL, 1997

Deputy Clerk: The Loan (Capital Projects) Bill, 1997.

The Speaker: The Bill is deemed to have been read a first time and set down for second reading.
Second Readings.

SECOND READINGS

THE TAX CONCESSIONS (AMENDMENT) (UNDERTAKINGS) BILL, 1997

Deputy Clerk: The Tax Concessions (Amendment) (Undertakings) Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

(12.15 PM)

Hon. George A. McCarthy: I rise to present to this Honourable House, a Bill for a Law to Amend the Tax Concession Law (1995 Revision).

This Bill seeks to amend the Tax Concessions Law (1995 Revision) by repealing the words "15th of November, 1994, in section 6(4) and substituting the words "1st September, 1996.

An amendment was made to the Tax Concessions Law in 1994 which extended the tax undertaking to apply to withholding tax on dividends and other distributions. As the tax undertaking forms were not altered at the time to reflect this change, the tax undertakings issued after the 15th of November, 1994, did not have the advantage of the extension of the undertakings to include withholdings tax.

The tax undertaking forms have since been altered with effect from the first of September 1996. Accordingly, a further amendment to the Tax Concessions Law (1995 Revision) needs to be introduced which extends the date of the 15th November, 1994 to 1st September, 1996—the effective date of the new form of tax undertaking.

This is a very short amendment and I recommend this Bill to the Honourable House.

The Speaker: The question is that a Bill entitled, The Tax Concessions (Amendment) (Undertakings) Bill, 1997, be given a second reading. The motion is open for debate. *(Pause)*

If there is no debate, I will put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. THE TAX CONCESSIONS (AMENDMENT) (UNDERTAKINGS) BILL, 1997 GIVEN A SECOND READING.

THE GOVERNOR (VESTING OF LANDS) (AMENDMENT) (DISPOSITIONS) BILL, 1997

Deputy Clerk: The Governor (Vesting of Lands) (Amendment) (Dispositions) Bill, 1997.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I beg to move the second reading of a Bill entitled, The Governor (Vesting of Lands) (Amendment) (Dispositions) Bill, 1997.

This is a short Bill which restricts the ability to dispose of government owned lands. Any disposition of freehold land, or of a leasehold interest with more than 20 years to run will need to be advertised in a newspaper circulating in the Cayman Islands, and in the Gazette, and to be the subject of a report containing all relevant details to be laid on the Table of the Legislative Assembly together with three valuations. The Legislative

Assembly will be able to veto the disposition. Failure to observe the required procedure will render any such disposition void.

For a long time there has been concern whenever Government sees fit to dispose of any property. It is my belief that with this small amending Bill we will be able to take care of that, and I ask all Members for their support.

The Speaker: The question is that a Bill entitled, The Governor (Vesting of Lands) (Amendment) (Dispositions) Bill, 1997, be given a second reading.

The motion is open for debate. The Third Elected Member for Bodden Town.

(12.23 PM)

Mr. Roy Bodden: I am happy to lend my support to this Bill. I think that it is appropriate for properties to be disposed of this way, for ample and relevant notice to be given, so that the people may have the opportunity to consult with their representatives. I also think it is appropriate for information which is purported to be given to be brought and laid on the Table of this Honourable House so that the representatives of the people can acquaint themselves with the circumstances surrounding the transaction.

Importantly too, it will alleviate any possibilities of anyone insinuating that the practise has been less than transparent. It will certainly put public servants involved in the transaction above suspicion and insinuation. I think it is timely and one that should be supported by all Members of this Honourable House.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: This Bill, while short, is an extremely important one, and I commend the Honourable Minister for bringing this. What the Third Elected Member for Bodden Town said is that this will now put the sale of Government property beyond any suspicion. I do not believe that Government should ever sell property except in rare instances. I believe this has been the policy of not just this Government, but of past Governments.

Facts regarding any sale or long lease will have to come before this Honourable House and be laid on the Table. Along with that will have to come the report from the Ministry containing all of the details, a copy of the survey report, a valuation by the Government's valuer of the land it is proposing to dispose of; valuations by 2 independent licensed valuers of the land of which it is proposed to dispose; a copy of the resolution of the Executive Council of the Islands approving the terms of the proposed disposition; and a copy of the advertisement of the proposed disposition published in accordance with this Bill.

The public will therefore know exactly what the Government is doing because an advertisement with full details has to be put in the newspaper as well as in the Official Gazette.

The Bill, while short, is a milestone. For the first time the Executive Council has said that they are prepared to take power from Executive Council and put it into the Legislative Assembly. That shows the public clearly that this Executive Council is by no means power hungry; they are stable (as is the full Legislative Assembly) and prepared in instances which are extremely important, such as this.... And this is an executive act, I should point out, under the previous Law (and that Law has remained there as long as I can remember because when I was Acting Attorney General in the late 1960s, early 1970s, it was called "The Administrator Vesting of Lands Law." So, it goes back unchanged with power in Executive Council for probably 40 years, at least.

I think this is important. It shows that this is an open Government. If property is being sold, because property is dear to everyone in this country, then the public will know that it is being sold and this Honourable House will have a right to object. Frankly, I am happy to follow the wishes of this House on whatever decision would be made in that area.

I fully support the Honourable Member. It is quite a milestone. It safeguards Government's property for the people. Nothing can be done now without a full disclosure to the people and this House.

The Speaker: If there is no further debate, does the mover wish to exercise his right of reply?

Hon. John B. McLean: Thank you, Mr. Speaker.

I wish to thank those Members who have spoken for their remarks in support of the Bill, and to thank all Members for their silent support.

The Speaker: The question is that a Bill entitled, The Governor (Vesting of Lands) (Amendment) (Dispositions) Bill, 1997, be given a second reading. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

THE LOAN (CAPITAL PROJECTS) BILL, 1997

Deputy Clerk: The Loan (Capital Projects) Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

(12.30 PM)

Hon. George A. McCarthy: Thank you, Mr. Speaker.

I beg to move the second reading of a Bill entitled, The Loan (Capital Projects) Bill, 1997.

As Honourable Members are aware, the initial Loan Bill presented to this House sought to obtain approval for the borrowing of \$8.5 million. This sum was initially intended to be used in the financing of the ongoing devel-

opmental Phases I, II and III of the George Town Hospital, as set out under subhead 52-114, Health Care Facilities in the original Draft Estimates.

Members were informed during my introductory remarks in Finance Committee that an amendment would be introduced during the Committee stage of the Bill for the purpose of increasing the amount authorised to be borrowed from \$8.5 million to a sum in excess of \$16 million.

The main reasons giving rise to this increase resulted from (a) a reduction in the revenue measures by \$6.9 million. The package of revenue measures initially agreed upon sought to achieve collections during 1997 amounting to approximately \$14 million with variation to those measures it was subsequently reduced to \$7.1 million, leaving a gap of \$6.9 million. The second reason for the increase was providing the for continuation of the development of the Airport Mail Sorting Facility by \$1 million. Members will recall that the original provision under subhead 52-127, Post Office Buildings, as set out in the Estimates, contained a sum of \$602,551. It was pointed out that this sum would have to be increased by a further \$1 million, thus bringing the value of that provision up to \$1,602,551 for that subhead.

The third aspect was having to make provision in the Estimates in the amount of \$300,000 to cover the interest costs that would result from the additional borrowings. This amount is set out under subhead 38-906, Statutory Public Debt, in the revised Estimates. This can be found on page 33.

The culmination of these changes resulted in items initially intended to be funded by local revenue, now having to be shifted under the loan financing section of the Estimates, and will now be funded by borrowings. The Revised Loan Bill, instead of being for the single amount of \$8.5 million as earlier advised, will now be comprised of the following items for a value of \$16,659,400.

42-135	Medical Equipment	\$ 545,429
52-106	Construction of Roads	\$ 4,590,475
52-114	Health Care Facilities	
<i>Originally the provision of \$8.5 million in the Loans Bill was to be applied against the ongoing financing of this project, but had to be increased to:</i>		
		\$10,523,496
52-127	Post Office Buildings	\$1,000,000

I know that we have recently completed Finance Committee, in fact the meeting concluded yesterday. Members have been carefully apprised as to the composition of the Capital Budget, and also the specific projects to which these amounts will be applied within the various subheads. The first item of \$545,429, under Head 42-135, Medical Equipment, will be used to cover the acquisition of a Stress Echo Cardiograph, an x-ray machine and other sorted equipment.

The sum of \$4,590,475 provided under subhead 52-106, Construction of Roads, is to cover the cost to build and repair roads in West Bay, George Town, East End, North Side, Cayman Brac and to assist in the financing of the Harquail Bypass.

The sum of \$10,523,496 under subhead 52-114, Health Care Facilities, includes a sum of \$9.2 million to

cover the ongoing construction cost of the George Town Hospital. The remaining balance will cover other health care expenditure.

As I mentioned, the \$1 million by which subhead 52-117, Post Office Buildings has been increased is intended to make adequate provision to fund the expenditure to be incurred for the completion of this project during the course of this year.

So, this accounts for the application of a Loan for \$16,659,400. Honourable Members have been apprised of the residual balance that remains from the previous loans carried forward into 1997 which exceeds approximately \$8 million. This will also be applied in the funding of the Capital Projects in 1997.

We are looking at Capital Expenditure in the region of \$44 million. It is unlikely that this expenditure will be incurred in full during the course of the year, but the Government will continue to pursue its normal prudent policy of using up revenue funds where available, and making a draw-down against these loans at the last minute, thus achieving a reduction in interest costs that would otherwise be incurred. It will also ensure that the amount of the loan drawn-down during the course of the year will correspond to the equivalent expenditure incurred against these items for which the specific borrowings are being made.

I commend this Bill to Honourable Members of this House.

The Speaker: The question is that a Bill entitled, The Loan (Capital Projects) Bill, 1997, be given a second reading. The motion is open for debate.

The First Elected Member for George Town.

(12.40 PM)

Mr. Roy Boddan: Mr. Speaker, I wish to take this opportunity to say, once again, that it is high time we try to arrive at a system of prioritising our capital projects in order to get better control over the circumstances which lead us to the borrowing money and embarking on expensive ventures which inevitably result in our coming to our people for taxes. I call on the Government again to work on the Medium-Term Financial Plan and the Public Sector Investment Programme.

I think we have seen, and recent experience has shown us, that our country is only prepared to absorb so much at one time. We have to begin prioritising while looking at, what I term, creative new ways of meeting expenditure if we are going to continue to develop.

Anyone proposing a project can certainly justify the urgency and necessity of that project. To this extent, I am a proponent of the kind of fiscal responsibility plan which allows us to publicise the full cost of a project once it has been identified; and in addition, state how we are going to raise the money well enough in advance so that we can adjust. The easiest way to accomplish what we want to in this country is by prioritisation.

I note that the Honourable Third Official Member said that we have \$43 million in Capital Projects. It is

possible that this entire loan may not be drawn down within this year. I contend that it is now the middle of April. We cannot possibly complete the \$43 million worth of Capital Projects within this year, seeing as November is the time for the presentation of the next Budget.

One could quite logically beg the question: Why the Loan Bill at this time? I think that the Government has a responsibility to monitor the economic development and gauge their capital works in such a way that when the economy is booming the Government can allow the private sector to bear the brunt of the economic development. At such times when there is contraction within the private sector, then the Government should embark on massive capital works projects. Certainly, this is how it is done in the United States and other countries. I think that we could try that approach in the Cayman Islands.

Whether the loan is drawn down this year or not, I am worried about any increase in our national debt. While it is true that we are not yet up to the 'dangerous' level, if we keep on borrowing, one of these days a Government will not be able to make the required payments comfortably—then we are going to have problems. That this is so is recognised by people outside of the Cayman Islands. I would like to share with the House the observation of the "Dominion Bond Rating Service Limited" of Toronto Canada, in a publication they put out on December, 10, 1996, in a section entitled "Challenges:"

"Challenges faced by the Cayman Islands are:

(1) With a population growth of 4.7% in 1995, 1.2% in 1994, 9.2% in 1993 and 6.0% in 1992, population growth is too fast for the infrastructure. Roads (traffic jams), sewers, water, airports and services are becoming increasingly strained. (2) Government expenditure has risen by 6.5% and 21.8% in 1995 and 1996, with higher interest costs as well as pressure to expand health, welfare and education. Capital expenditure for hospitals is particularly noteworthy, and overall capital expenditure has risen 19.5% and 29.1% respectively over the last two years. At an estimated CI\$28 million equal to \$854 per capita, capex is still in need of increases. (3) Revenue has risen 9% and 13% over the last two years, but not enough to contain the deficit greatly, The deficit over the last three years (1994-1996) amounted to CI\$5.9 million in 1994, \$20.6 million in 1995 and CI\$18.1 million in 1996, equal to \$558 per capita. If this level is not brought down quickly, interest costs will escalate and the country will start a debt spiral, with interest costs chasing the deficit. The main problem is infrastructure or capital expenditure problems, since the operating budget including interest costs is being currently met. (4) Total government debt, including development debt, amounted to CI\$64.5 million as at December 31, 1994, rising to CI\$85.1 million (estimated) at December 31, 1995, and an estimated CI\$103.2 million as at December 31, 1996. This is equal to CI\$3,146 per capita in 1996, versus CI\$2,719 in 1995 and CI\$2,087 in 1994 or up 15.7% and 30.2% over the last two years. Although there is cash and

other development assets which can partly offset this, the debt build-up is too quick. New taxes or government expenditure cuts will have to be considered if expenditure growth is not contained. (5) Besides tourism and banking/financial, the islands have few other natural resources. The economy is mainly being carried by these two items. (6) The country uses the "pay as you go" accounting method...."

It concludes by saying: "Sometime in the future, someone will have to pay..." and it specifically mentioned this business of public pensions.

That information can be had on the World Wide Web. It highlights a true challenge with which we in the Cayman Islands, going into the 21st century, are faced. My position is very clear in that I have articulated far and wide that we need some kind of fiscal responsibility act which will allow us to prioritise. The Government must take a look at the services which are required, and which it proposes to provide. I am not knocking the Government for aspiring to provide the best, most up-to-date and adequate services, because I was as conscientious and responsible as I could be in Finance Committee working with the Budget.

I also have the responsibility to my constituents and to this Honourable House to say that we are entering the 'red zone' now. It is time for us to take a long and serious look—the Civil Service is expanding. I would not be surprised if the business of borrowing becomes more prevalent. We have to take a serious inward look, and I find it difficult, because my contention is that some of these projects for which we propose to borrow could be laid off until sometime down the line—notwithstanding the fact that some of the monies are going to be used for projects which have already been completed. It is a quandary that we have to deal with beginning now, otherwise we are going to saddle future generations of Caymanians with a debt—for which they will curse us. So my call is for us to set in place the proper machinery.

I am somewhat of an historian, and, as such, I collect and preserve many important documents. I would like to refresh Members' memories with what the Honourable Financial Secretary had to say during the Budget Session of 1993. He stated: "**We will have to develop a credible strategy to effectively place limits on growth in public expenditure without seriously impairing the effectiveness of public sector programmes.**" He went on to say, "**We must determine priorities, order them and make choices that are realistic and achievable.**"

Above all, Mr. Speaker, in terms of resources and priorities he said: "**We have to cut our suit to fit our cloth...**"—advice which is as relevant now as then. I argue that it is more relevant and more necessary now than it was in 1993.

At the turn of the development of modern events in Europe in 1847, Guttle Rothschild (the mother of the five Rothschild sons who were wealthy, successful and perhaps the most influential European capitalist entrepreneurs and money providers in Europe) told the world that

there would be no war in Europe because her sons would not be providing any money to finance a war. Well, I am not nearly so influential; but I say that the Loan Bill can carry without my support because I will be abstaining.

The Speaker: This may be a convenient time to take the luncheon suspension. Proceedings are suspended until 2.30 PM.

PROCEEDINGS SUSPENDED AT 12.55 PM

PROCEEDINGS RESUMED AT 2.54 PM

The Speaker: Please be seated.

READING OF MESSAGES AND ANNOUNCEMENTS BY THE SPEAKER

APOLOGIES

The Speaker: I have received apologies for absence for the afternoon Sitting from the Honourable Minister responsible for Education, Aviation and Planning who will be attending a funeral.

Continuation of the Second Reading debate on the Loan (Capital Projects) Bill, 1997.

The Fourth Elected Member for George Town.

SECOND READINGS

THE LOAN (CAPITAL PROJECTS) BILL, 1997

(Continuation of debate thereon)

Dr. Frank McField: Thank you, Mr. Speaker.

Rather than have the Press say that the Fourth Elected Member for George Town did not say at least a few words in regards to the request by the Government to borrow this sum of \$16 million for capital projects, I would like to go on record as recognising the sincerity and competence of the Honourable Financial Secretary, and I do believe that he is prudent. I believe that he has the good interests of this country at heart. Being a freshman in the Legislative Assembly, I think it is important that my constituents and the listening public realise that I am not an authority in all matters, and that I am willing to take—at least for a period of time—lessons from people with more experience, particularly in regard to financial matters.

Nevertheless, I realise that our country as a whole must pay back this loan in the future. It is money that must be collected by means of raising revenue in the future. I therefore would like to again voice my concern with regard to the difficulties I see coming about in regard to the ability of the country to finance the necessary infrastructural development.

As I said, I am going to support the Loan Bill as I have been supporting the Budget. I hope that Honourable Members will not interpret my comments as at-

tempts to derail any programmes that they may have. I think it is clear that until I can figure out how to persuade Members to structure priorities in such a way that we are not trying to do all things for all people at one time, that there is a necessity for me to somehow cooperate with the attempts being made in this House at the moment.

I understand that the Loan package is part of the entire package of this Budget, and that because it was not possible to raise revenue by revenue enhancement measures which might have adversely affected the tourist industry, we have had to resort to borrowing this money.

I would nevertheless like to point out that the Government is spending a substantial amount of money on the further development of the tourism sector of this country, and that the Government is spending a sufficient amount of money in regard to the further development of the financial industry of this country. Regardless of what some Members might believe, I do see the infrastructural development, the part that deals with social development, as an integral part of the entire package of development. I have always been for a development that was not just economic, but was, in fact, social. Therefore, although I would like to see a reining in with regard to certain programmes, I am here to defend the loan package as part of the entire package the Government is bringing to finance the different services.

I also realise that a lot of the money being borrowed is to finance the building of the hospital. I also must say that we can borrow for one thing and pay for something else. So, I am not necessarily accepting the loan package simply because it is coming in a particular area, because if we had spent less in another area, we might have been able to borrow less. I am not defending it on the basis of the physical development of the hospital. I see that there could have been different considerations and a balancing of priorities which were slightly different.

I would like to make it quite clear that if I had created the Budget, I would have balanced it differently. But since that was not my position, I, as an independent Backbencher will attempt to make Government as efficient as possible; I will point out weaknesses that I see while at the same time not disrupting nor discrediting the process that other people have seen as sufficient.

I come back to my relationship with individual Members, such as the Honourable Third Official Member responsible for Finance and Development. I have a certain amount of trust in him and his Christian principles and his honesty. Because of this, I am going to be guided by his judgment with regard to these financial matters.

So, Mr. Speaker, I would just like to close by saying that I support the Bill to borrow this amount of money and hope that it might be used for the best purposes; those for which it is intended. Thank you.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker.

The Bill before us is "A Bill for a Law to Authorise the Borrowing of up to \$16,569,400 for the Financing of Specified Capital Projects." I think it is within the bounds of this debate to just re-visit a few things to put this given position of the Government in its proper perspective.

The projected total public debt at year end 1996 was in the region of \$57 million. If we go through our Estimates and see the procedure by which a balanced budget was produced, we will notice that of the approved borrowings of \$16 million in the 1996 Budget, there was an amount of approximately \$6 million which had not been drawn down. I am not quite sure if that was part and parcel of the original \$16 million for the 1996 Budget, or whether a portion of that was the \$10-plus million approved in May following the Budget. Nevertheless, at year end \$6 million had not been drawn down. That left the public debt at approximately \$51 million.

The authority to draw that \$6 million down has extended itself with the introduction of this Budget, to make the Budget a 'balanced' one. That puts us back up with a projected \$57 million in public debt before this House approves (as I am sure it will) the Bill before us today. This Bill for \$16.5 million extends itself (once the amount is drawn down by year end) to approximately \$74 million for public debt.

To be fair we have to subtract from that what is projected to be paid on existing loans out of recurrent revenue. I think it is fair to say that after interest is deducted, probably \$6 million will be paid down during the course of the year. While these figures are not quite exact, I am sure that they are close enough to be relevant and used in any arguments raised. When we put that entire picture together it seems that we have somewhere in the region of \$68 million in public debt at year end, assuming there is the draw down of the amounts approved.

It is my understanding that servicing those loans will only take approximately 5% of recurrent revenue. I do not know the length of time on these loans, as that information has not been provided thus far. I cannot say how long the liability will last, but suffice it to say that while it is only going to be 5% of the country's recurrent revenue (which satisfies what we may call the 'recurrent debt', if there is such a thing), it is obvious that it is slowly but surely climbing. The main thought in all of this is not the fact that there is cause for alarm, but the fact that it is slowly but surely increasing.

Coupled with trying to play catch-up with what the Fourth Elected Member for George Town referred to as the 'infrastructural needs' (I accept that is what has to be done), is the fact that there is an ever increasing demand for the Government of this country to provide and enhance services to the people. It is no joy ride, and I accept that. But I think it is incumbent on me, and others who see likewise, to let it be known that there is a concern. The concern stems from looking at each individual need we are trying to satisfy and justifying the need to satisfy it at any time. But as we continue to put the whole big picture together, it gets tighter and tighter. We cannot sit here and continue wrangling and doing the best we can until such time as when the scales tip in the other

direction. That is a real fear. We may not have to stare that in the face for the next three or four years, but I contend that we should not wait until we are forced to think seriously about it.

The scene I have portrayed is as real as I see it from where I sit. I think the missing link in the whole scheme of things is the will to have a disciplined plan for the future of this country. The country is very similar to a home—it is just that we have to deal with larger numbers—all of the same principles apply.

Let us take time out and forget that we have different sides in this House. Let us pretend that when the time is necessary we can be as one. If we look at the individual areas that we take time out to address through the various processes in this Honourable House—the most recent of which was Finance Committee—we will find that we can take each and every issue (if we so desire) and throw out the pros and the cons. We look at the various Committees which performed their tasks before the Budget Document was completed and brought to this House and we understand that it is not a game. In fact, it is a situation where the best of jugglers would have difficulty in satisfying the various requests—the majority of which are justifiable.

Let me repeat what I said privately this morning: I am a firm, convicted believer in the Medium-Term Development Strategy and the Public Sector Investment Programme. I remember that close to four years ago when I first heard about it, I wondered what it was all about. I asked the right people and it was explained to me. What I just spoke about, Mr. Speaker, is what I contend to be the answer to all of the problems we have been talking about here. That Plan and that Strategy is what will create the discipline that we need. There is also another area we must be looking at.

While I seem to be straying at this point in time, if you will allow me, Mr. Speaker, I will prove my argument. I might not have everyone's agreement, but I will prove my argument.

This basis for the Medium-Term Development Strategy and the Public Sector Investment Programme is a disciplined approach where all necessary capital projects are placed in the order of priority. You will end up with the ability to decide when to do what, and how to do it, based upon your ability to do it. Let me say that I am not standing here today to suggest that we will ever be in a position to operate in a prudent fashion again without borrowing. That is not my point.

I wish to state that I will gain satisfaction only when I see the approach I am talking about used whenever we engage in spending the country's money, deciding how much we have to borrow to do what we have to do, and how much we are able to use out of income that is earned.

There are many instances which prove that my thoughts are by no means new. The Third Elected Member for Bodden Town quoted some recent deliveries by the Financial Secretary. Even before his time other men of similar capacity expressed similar thoughts. If you will allow me, I will show you an example.

In 1990, the former Financial Secretary said in his address: **"...the capacity to commit ourselves to abide by the imperatives of fiscal resource constraints... will require prudent and stable overall and departmental fiscal management of the highest order,...."** He went into areas I have not delved into yet. He went on to say, **"Today, as our economy adjusts to both external and internal changes, it has become even more important than in the past to assess our spending needs realistically, and to tailor our thinking to what is fiscally possible. The inescapable starting point must be the best use of our limited resources, controlling public expenditure in all shapes and forms, ensuring achievement of value for money spent, containing recurrent expenditure through curtailment of civil service growth, and increasing civil service per capita productivity as well as overall civil service productivity."** [1990 Budget Address delivered 9th November, 1990]

That was said in 1990, and today we can still sing the chorus—we are just a little bit more perturbed. It means that as of now we are simply waiting on the inevitable to happen. While there may be inner workings which will surprise me and show me different in the near future, until I see something like that I will sing the same song—as boring as it may be!

In 1990 the Financial Secretary also said this: **"Raising sufficient revenue, and how we raise it, is no less important...for economic wisdom dictates that the way revenues are raised can sometimes make growth in an economy hostage to taxes. I also believe that as a first approach we must improve the efficiency and effectiveness of our revenue collection system, closely monitor the performance of the system to minimise, if not totally prevent, abuse of the system, and aggressively and vigorously enforce measures to plug the loop holes in that system, collect the back revenues from those who legitimately owe Government such revenues and from those who fail to pay such revenues in a timely fashion."**

So we are giving the Government some kudos here, because that was 1990. But in 1996 we saw something done about this, which is fair. But, if by the slightest chance I am right with my fears, and we don't do something soon, we won't have six years to go back and say they finally did something about this. It is my hope (and I have every confidence with their ability) that between the Civil Service arm of Government and the Elected arm of Government we will see a more obvious sense of direction. I am not here to make issues over who I think is to blame. I found out a long time ago that that really does not help. I think we need to understand where we have to go and head the country in that direction.

The winds of change that I talk about are not radical. They are not disturbing. In fact, the truth be known, those winds of change are the wishes of many involved in the process. They don't say it, but I will say it for them.

My contention is not that the four items in the schedule for this Loan Bill are items we should not deal

with—but it does equate to \$16.6 million and it does call for our public debt to increase. While it may be said (and a case made) that because of the nature of the growth of the country it is obvious that public debt will continue to increase, we just have to make it increase at a reasonable pace.

I cannot say that I will be satisfied. The truth is that when we become adults and go to work we don't live our lives working to owe and then we die. We try to get to the point where we turn the tables, where we owe less and save more so that before we die we can live to enjoy it for a while. There does not seem to be any chance of that at present.

My analogies may seem to be funny at times, but I know they, to whom it matters, understand. The \$545,000 for medical equipment is necessary. The \$4.5 million for roads is a question mark. The \$10.5 million for the hospital is necessary. If we don't approve the million dollars for the new postal facility, it will be two-thirds done and it will stay there. So, at this point in time, that million dollars is necessary. But when we do all of that what is more necessary than all of that is to do something about the way we do business.

That is not a statement meant to suggest that everything that is done is wrong. It is simply meant to say that so many things have changed and the whole movement is so fast that we need to get a better grip on how we do what we do so that we can follow the trail better; that we can monitor it better and plan better. It is my hope that by the time this is over (and may God help us so that it does not take too long) we will find ourselves in a situation where no one here (whoever is here at that time) will have to wait until he wakes up tomorrow morning to decide what he is going to do. We no longer have that luxury. We have to see a good distance down the road, otherwise we will never get there.

More could be said, but the Honourable Third Official Member has his winding up to do. I trust that he is prepared to address some of the issues. There are issues that were raised by others. My issues were simply raised to prod the mind of those who have the authority and to hope that they will do what they know, and I know, is right.

In proving my concern for how we do what we do, and because I was not involved in the process from its very beginning until I got here, and because from the very beginning there were ways of doing things that I did not agree with; and because I know that my vote will not have any bearing on the passage of this Bill—to satisfy my mind and to take my stand, I have aired my views. I hope they are taken with the right intention. I simply wish to state that like the Third Elected Member for Bodden Town, I, too, will be abstaining.

The Speaker: The Third Elected Member for West Bay.

(3.35 PM)

Mr. John D. Jefferson, Jr: Thank you, Mr. Speaker.

I rise to give my support to the Loan Bill which authorises the Government to borrow \$16,659,400 for certain identified capital projects.

Mr. Speaker, I don't believe there is any reason for alarm in that the present Government (which is the National Team Government) has been fiscally prudent in managing the affairs of this country. For example, between 1992-1996 many necessary capital projects were provided for this country. They were all paid for, with the exception of a very small loan in 1996, out of recurrent revenue. The present Government can be proud that until this year it did not put forward any new revenue enhancement measures or any new direct taxation.

In this Bill certain capital projects which have been identified. For example, there is a sum of \$545,429 for medical equipment. Those of us who toured the facilities being constructed at the present hospital site were impressed with the pace in which the new hospital is progressing. I believe that the new hospital is a priority for this country. We constantly hear about a shortage of beds at the hospital. The new hospital will take care of those needs and concerns. We must be in a position where that hospital has the most modern equipment to ensure that the services our people are entitled to can be provided. There are \$10,523,496 for health care facilities. I believe that the majority of that is to help finance the completion of the new hospital.

There is a demand for additional roads in this country. The present Government listens to the demands and the needs as expressed by our citizens. There is a provision in this Budget for the Harquail bypass which is an attempt to ease some of the congestion, in particular along the Seven-Mile Beach area. That is in the region of \$3 million.

If any of us have recently gone by the airport, we have seen the new mail sorting centre. It is very modern. I think it is just about complete. There is a provision for \$1 million to complete this facility. It will more than carry itself and within a short period of time the Government will receive these funds back by way of post office box rental and sale of stamps, along with other postal services.

Even with the new borrowings, I think it was mentioned that the public debt is 5% of recurrent revenue. That is very conservative and very affordable. I believe it is a reflection of good financial management as far as this Government is concerned.

The 1997 Budget is a very unusual one because Government is called upon to do so many very important things at one time. It includes funding for the new stock exchange which was just established, the Monetary Authority, which was just established; we are paying for the hospital, district health clinics, roads and a number of other very important projects needed by this country. The difficulty we had in arriving at the Budget was that the majority of the capital projects (amounting to some \$40 million) are on-going—they were already started and being funded. So we had to provide the funding in order to complete those projects.

Once the hospital is completed along with some of the projects in the Budget for this year, the Government will be in a position to at least breathe a sigh of relief even though additional expense will be incurred by way of recurrent expenditure. But I believe that we are coming to the point where the demand for capital funds can be greatly decreased. We will have those facilities and services that we so badly need in place.

The First Elected Member for George Town attempted to raise some concerns in regard to Government's public debt. He gave the impression that after taking into consideration the new loan requests, the Government's debt would be in the region of \$70 million. When I look at what the Financial Secretary had to say in his Budget Address, I determined that at the end of 1996 only \$33.2 million of the outstanding public debt (which I think stood at \$51 million) was for central Government. The other \$18.3 million was borrowing by Government on behalf of its Statutory Authorities. But the Statutory Authorities have the ability to make repayments on those loans themselves—and they are.

I believe that the present Government has been very prudent in regard to its fiscal management of public funds. I believe that there is no real reason to attempt to alarm the listening public. Things are in order financially in this country.

The Third Elected Member for Bodden Town said that Government should be sitting back with monies in the coffers awaiting a downturn in the economy, and then spend Government funds in order to keep the economy going. That is very good philosophy—good in theory, but not very practical. If we waited for that before providing some of the necessary services and facilities we may be waiting another five or ten years before that downturn happens. I believe that those items identified in the Budget, especially in the capital side, are all priorities. They are needed by the people of this country, and I want to say that I congratulate the Financial Secretary on behalf of the Government for managing the affairs of this country in such a prudent fashion.

The Speaker: Does any other Member wish to speak?
(Pause)

If not, would the Honourable Third Official Member like to wind up the debate?

Hon. George A. McCarthy: I would like to thank the Honourable Members who shared their views on this Loan Bill, and I also thank other Members for their tacit support.

The Third Elected Member for Bodden Town shared certain views set out in a publication by Dominion Securities of Canada. I would not take issue with those views specifically, because they express a concern not only shared by that Honourable Member (and whoever the author of that article is), but also by Members of the Government in general and Members of this House collectively.

When it comes to good, prudent, fiscal management, shrewd practices are necessary. This is not to be

taken lightly when we find that we have a public debt that is increasing. To that extent, the Deputy Financial Secretary (responding to a question raised in Finance Committee) stated that the Government is presently working on the finalisation of the Medium-Term Financial Strategy Public Sector Investment Programme. It is hoped that this document (I should say, Mr. Speaker, that it goes beyond hope—we can be sure, once life continues to be given to us by Almighty God) will be tabled in this Honourable House at the next Meeting commencing in June.

As the First Elected Member for George Town stated, at this particular time in our history and development (where we are dealing with a budget for \$254 million) it would be unwise for us to wake up tomorrow morning—especially at the national level—trying to determine what should be done for the day. It requires planning, and everyone recognises the need for this.

As brought out during Finance Committee, through the annual Budget we have been managing to set out the Government's projects and infrastructural requirements on an annual basis. Although the draft Medium-Term Financial Strategy Public Sector Investment Programme has not been finalised and tabled, we have been looking to this document and the views set out therein. We recognise that we will have to look beyond a 12 month cycle. It is for this reason that this document is presently being finalised. It will be reviewed by Executive Council and subsequently tabled in this Legislative Assembly, because we do recognise that, at a minimum, it is important to set out the Government's infrastructural needs and to also look at the implications of financing those infrastructural requirements over the three year period of 1997-1999.

It was also pointed out that complementing this exercise of the finalisation of the Medium-Term Financial Strategy Public Sector Investment Programme is the review of the Public Finance and Audit Law. We are aware that Governments of other countries have sought to limit borrowings. I am aware that for some time this Government has had concern, with discussions held at meetings of Executive Council, that this concept be examined. It has also been stated in this Honourable House that an immediate measure that will be considered during the review of the Public Finance and Audit Law will be limiting borrowing to a percentage of our gross domestic product.

For example, if the GDP for the year 1997 amounts to \$800 million, if one took 8% of that as the ceiling for Government borrowing, it would mean that the central Government debt should not exceed \$64 million.

One Member pointed out that the amount of revenue committed to the servicing of public debt for 1997 will amount to approximately \$10.5 million, or approximately 5% of local revenue. This is being looked at very carefully. Although we spoke of the 10% limit—the amount which funds committed from local revenue to the servicing of public debt should not exceed—even 5% will have to be looked at very carefully because it means money being paid out.

So we are making sure that we are getting value for money. We have to be sure that the projects are necessary for our ongoing infrastructural development—not only from the economic point of view, but (as the Fourth Elected Member for George Town pointed out), from a sociological point of view.

The Portfolio of Finance and Development will continue to render advice within the collective abilities of the department that will ensure good fiscal management. No human being, however gifted with ability, can claim the totality of all knowledge. It is therefore important when Honourable Members of this House are able to share their views, as they have this afternoon, in a very constructive manner, recognising that each day represents a transition in our development and policy measures. In this regard we, in the Department of Finance and Development, are committed to ensuring that good fiscal policy is pursued.

It was pointed out that success is being attained with the collection of outstanding indebtedness. We will have to change our approach to this because I think there is a certain undercurrent of kindness and benevolence which is being abused. At this time the public recognises that the Government will not necessarily be taking debtors to court in order to settle outstanding debts. But when we get to the point where individuals are writing out substantial cheques for customs duty and purchasing Government services, and these cheques are bouncing, and we are having difficulty collecting those outstanding cheques, we have reached a stage where this process will have to be examined and re-examined continuously.

We are having good success with the Debt Collection Unit. The officer in charge of that unit has been doing a very good job. The Accountant General pointed out in Finance Committee that this is an area where we will have to increase staff resources in order to optimise the collection of outstanding debt. To not do so would make us penny wise and pound foolish.

Every effort will be made to collect the monies that are due. We know that there are certain problematic areas. There is a lot outstanding on collection of garbage fees and also for services provided at the hospital. We know that some of the records there are corrupt, but we have a very good accountant in place and the management and the Ministry are providing good support to make sure those records are looked at. Once the problems are sorted out and the correct indebtedness established, every effort will be made to pursue those debtors.

On the other hand, we will have to strengthen other agencies of Government, especially the Internal Audit Unit. Provision is being made to increase the staff in that unit because that section (which falls within the Portfolio of Finance and Development) is headed by a very competent and capable Caymanian who is a qualified CPA. She also has a number of qualified staff members assisting her. At this time she has one other officer (or deputy) who is also a CPA, and another officer who during the course of this year was successful in completing his ACCA certification. Other members of the unit are pres-

ently in the process of upgrading their qualifications and some have been quite successful in passing parts of the CPA.

I also have to recognise the role that the Auditor General's office plays, although his office is independent. But, as Members of this House can attest, that office has been providing some useful analysis and revenue of Government's expenditure policies and programmes, offering comments. The Auditor General is quite approachable, and I often seek his advice on matters or measures which the Portfolio of Finance and Development finds necessary to consider.

Everyone (especially me) recognises that when our public debt position in 1996 (and I am talking about the central Government element) amounted to \$49.8 million, and for the year 1997 (when we combine new borrowing with balances brought forward) amounts to approximately \$24.2 million, giving us a total of \$74 million (which when we take into account the likely repayments could put us at \$68 million) it is one to be concerned about. But as the Third Elected Member for West Bay pointed out, it is necessary to incur indebtedness from time to time provided that the decision made is for prudent practices.

It is important and a necessary part of our infrastructural requirement to have good medical facilities in place. A tourist coming to the island would probably not consider Cayman to be as attractive as other destinations if potholes several inches deep are found in the road. As a result, the general ambience would be unattractive. It is important to maintain the attractiveness of our infrastructure.

As quoted by the Third Elected Member for Bodden Town in referring to the Budget Address delivered in 1993, it is essential for us to cut our coats according to the cloth. That will always be the practice. So, in asking Members to commit themselves to approving this Loan Bill of \$16,659,400 one recognises that it is an incremental debt being added to our existing burden. But, as I pointed out to Members, every effort will be made to ensure that we use up the cash surplus that is normally generated at the beginning of the year before we resort to any draw-down on the new loan or the loan balances brought forward from previous periods.

Even saving interests costs of \$100,000 to \$200,000 is considered sufficiently material for the Government to manage its cash flow in such a way in order to minimise unnecessary payments. So that is a consideration.

The Medium-Term Financial Strategy Public Sector Investment Programme will be tabled in this Honourable House, God willing, at the June Meeting. Prior discussions will take place to ensure that the document reflects the views and concerns of other Members of this House in areas they feel should be incorporated into the document. Combined with that we will be having an advisor come from the National Audit Office in the United Kingdom to assist the Director of Internal Audit in spearheading the review of the Audit and Finance Law. This falls

under the Committee being chaired by the Deputy Financial Secretary.

I have a strong belief that whenever the law is finalised and brought to this Honourable House, it will reflect the concerns for fiscal responsibility and accountability that Members have been advocating. But more importantly, it will not only reflect such concerns, but what is indigenous because we can say things, we can write things that sound very good. But at the end of the day how those views translate into action determines the success of whatever measures are put in place.

I once again thank Members for their support of this Bill.

The Speaker: The question is that a Bill entitled, The Loan (Capital Projects) Bill, 1997, be given a second reading. I shall put the question. Those in favour please say Aye...Those against No.

AYES and Abstention.

The Speaker: The Ayes have it.

Mr. Roy Bodden: Mr. Speaker, may we have a division?

Deputy Clerk:

DIVISION NO. 13/97

Ayes: 10

Hon. James M. Ryan
Hon. Richard H. Coles
Hon. George A. McCarthy
Hon. W. McKeever Bush
Hon. Thomas C. Jefferson
Hon. Anthony Eden
Mr. D. Dalmain Ebanks
Dr. Frank McField
Mrs. Julianna O'Connor-Connolly
Miss Heather D. Bodden

Noes: 0

Abstentions: 3

Mr. Linford A. Pierson
Mr. D. Kurt Tibbetts
Mr. Roy Bodden

Absent: 4

Hon. John B. McLean
Hon. Truman M. Bodden
Mr. John D. Jefferson, Jr
Mrs. Edna M. Moyle

The Speaker: The result of the division is ten Ayes, four abstentions, no Noes.

AGREED BY MAJORITY: THE LOAN (CAPITAL PROJECTS) BILL, 1997, GIVEN A SECOND READING.

The Speaker: It is now almost 4.15, would Members prefer to go into Committee now, or should I entertain a motion for the adjournment?

Hon. Thomas C. Jefferson: Mr. Speaker, I suggest we go on and go through the Committee and the Reporting aspect of it.

The Speaker: The House will now go into Committee to consider three Bills.

HOUSE IN COMMITTEE (4.12 PM)

COMMITTEE ON BILLS

The Chairman: Please be seated. The House is now in Committee. The first Bill is, The Tax Concessions (Amendment) (Undertakings) Bill, 1997. The Clerk will read the clauses.

THE TAX CONCESSIONS (AMENDMENT) (UNDERTAKINGS) BILL, 1997

Deputy Clerk: Clause 1 Short title.
Clause 2 Amendment to section 6.

The Chairman: The question is that clauses 1 and 2 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSES 1 AND 2 PASSED.

Deputy Clerk: A Bill for a Law to Amend the Tax Concessions Law (1995 Revision).

The Chairman: The question is that the Title do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

TITLE PASSED.

THE GOVERNOR (VESTING OF LANDS) (AMENDMENT) (DISPOSITIONS) BILL, 1997

The Chairman: The Governor (Vesting of Lands) (Amendment) (Dispositions) Bill, 1997. The Clerk will read the clauses.

Deputy Clerk: Clause 1 Short title.
Clause 2 Restrictions on dispositions.

The Chairman: The question is that clauses 1 and 2 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSES 1 AND 2 PASSED.

Deputy Clerk: A Bill for a Law to Amend the Governor Vesting of Lands Law (Revised).

The Chairman: The question is that the title do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

TITLE PASSED.

THE LOAN (CAPITAL PROJECTS) BILL, 1997

The Chairman: The Loan (Capital Projects) Bill, 1997. The Clerk will read the clauses.

Deputy Clerk: Clause 1 Short title.

The Chairman: The question is that clause 1 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 1 PASSED.

Deputy Clerk: Clause 2 Power to borrow.

The Chairman: We have notice that Clause 2 has an amendment. The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: In accordance with the provisions of Standing Order 52(1) and (2), I give notice to move the following amendment to the Loan (Capital Projects) Bill, 1997: That clause 2 be amended by deleting 'CI \$8,500,000' and substituting 'CI\$16,659,400.'

The Chairman: The question is that Clause 2 be amended. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AMENDMENT TO CLAUSE 2 PASSED.

The Chairman: The question is that Clause 2 as amended do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 2 AS AMENDED PASSED.

Deputy Clerk: Clause 3 Appropriation of loan to specified purposes.
Clause 4 Principal and interest of loan.

The Chairman: The question is that Clauses 3 and 4 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.
CLAUSES 3 AND 4 PASSED.

Deputy Clerk: The Schedule.

The Chairman: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: I move that the Schedule be deleted and the following inserted:

"SCHEDULE		
Column 1		Column 2
Purpose		Amount in CI\$
1. 42-135 LL Medical Equipment		545,429
2. 52-106 LL Construction of Roads		4,590,475
3. 52-114 LL Health Care Facilities		10,523,496
4. 52-127 LL Post Office Buildings		1,000,000
Total		16,659,400."

The Chairman: The question is that the Schedule be amended. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AMENDMENT TO SCHEDULE PASSED.

The Chairman: The question is that the Schedule as amended do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

SCHEDULE AS AMENDED PASSED.

Deputy Clerk: A Bill for a Law to Authorise the Borrowing of up to C\$ 16,659,400 for the Financing of Specified Capital Projects.

The Chairman: Under Standing Order 52 (11) no question is required, so the Title passes.

TITLE PASSED

The Chairman: The question is that the Committee Report to the House. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: COMMITTEE TO REPORT TO THE HOUSE.

The Chairman: The House will resume.

HOUSE RESUMED (4.23 PM)

REPORTS ON BILLS

THE TAX CONCESSIONS (AMENDMENT) (UNDERTAKINGS) BILL, 1997

The Speaker: Please be seated. Reports. The Tax Concessions (Amendment) (Undertakings) Bill, 1997. The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I am to report that a Bill entitled, The Tax Concessions (Amendment) (Undertakings) Bill, 1997, was considered by a Committee of the whole House and passed without amendment.

The Speaker: The Bill is set down for third reading.
The Governor (Vesting of Lands) (Amendment) (Dispositions) Bill, 1997. The Honourable Minister for Agriculture, Environment, Communications and Works.

THE GOVERNOR (VESTING OF LANDS) (AMENDMENT) (DISPOSITIONS) BILL, 1997

Hon. John B. McLean: Mr. Speaker, I have to report that a Bill for a Law to Amend the Governor (Vesting of Lands) Law (Revised) was considered by the whole House and passed without amendment.

The Speaker: The Bill is set down for third reading.

THE LOAN (CAPITAL PROJECTS) BILL, 1997

The Speaker: The Loan (Capital Projects) Bill, 1997. The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I am to report that a Bill entitled, The Loan (Capital Projects) Bill, 1997, was considered by a Committee of the whole House and passed with amendments.

The Speaker: The Bill is set down for third reading,

MOMENT OF INTERRUPTION - 4.25 PM Standing Order 10(2)

ADJOURNMENT

The Speaker: That concludes proceedings for this afternoon. I will entertain a motion for the adjournment.

Hon. John B. McLean: Mr. Speaker, I move the adjournment of this Honourable House until 10 o'clock tomorrow morning.

The Speaker: The question is that the House do now adjourn until tomorrow morning at 10 o'clock. I shall put the question. Those in favour please say Aye... Those against No.
AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned.

**AT 4.25 PM THE HOUSE STOOD ADJOURNED UNTIL
10.00 AM FRIDAY, 18TH APRIL, 1997.**

**EDITED
FRIDAY
18TH APRIL, 1997
10.41 AM**

The Speaker: I will ask the Honourable Minister for Agriculture, Environment, Communications and Works to say prayers.

PRAYERS

Hon. John B. McLean: Let us Pray.

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

Bless our Sovereign Lady Queen Elizabeth II, the Queen Mother, Philip Duke of Edinburgh, Charles Prince of Wales, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed.

Questions to Honourable Members/Ministers. Deferred question No. 46, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

DEFERRED QUESTION NO. 46
(Deferred on 3rd April, 1997)

No. 46: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister for Tourism, Commerce and Trans-

port to state what efforts are being made to encourage the continuation of Cruise Tourism on Cayman Brac.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Cruise tourism continues to be supported by two confirmed calls for Princess Cruise Lines in January and March 1998. Recently, representation was again made to the Florida-Caribbean Cruise Association (FCCA) promoting Cayman Brac as a destination for their ships.

SUPPLEMENTARIES

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister state if the recent cruise ship terminated its visits to the Brac because of infrastructural problems, or were there were other reasons?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: The cruise, which originated from Cienfuegos to Cayman Brac and other ports of call, was discontinued for a variety of reasons. Firstly, the captain of the ship would not use the dock in Cayman Brac because he said it was not long enough to provide safety to his ship. But, more importantly, it has come to my attention that the marketing they did in order to attract European visitors to this cruise apparently was not done to their satisfaction. The result was the number of visitors they expected to have arriving in Cienfuegos to take this cruise was not what they expected. Therefore, they withdrew the entire cruise—not only to Cayman Brac, but to the other destinations. My understanding is that they are re-grouping under a new marketing company with a view re-instituting the cruise (although I cannot say to what destinations) in October of this year.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I wonder if the Minister could state if in any of his discussions with the cruise ships or other agencies they have given any specific reasons why Cayman Brac might not be a desired port of call?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: I believe that the lay of the land of Cayman Brac is quite different from that in Grand Cayman. If there is a North or North-east wind in Grand Cayman, the land blocks the waves and, to some extent, the wind, so that the harbour in George Town is safe for persons disembarking from a cruise ship onto a tender and then onto the dock at the port.

If there is a wind blowing from the east in Cayman Brac, there is rough weather on both sides of the island. Sometimes it is very difficult to anchor at any particular spot to disembark passengers from the gang-plank of a cruise ship onto a tender and in to shore.

Part of their consideration comes in two parts: We do not want to attract to Cayman Brac cruise ships with 2400 passengers on Board. We believe that is unsuitable, and we do not believe the people of the Brac want that. We are trying to attract cruise ships to the Brac with a passenger capacity between 350 to a maximum of around 1,000. I believe that is the range we are looking at.

An extension to the dock makes it easier and safer for persons to get on and get off the ship. I think that would be something that the cruise lines would be in favour of. The present dock at the far end is in almost 35 feet of water, so any extension to it would not have to be more than 250 feet, if that, to provide the kind of docking facility which would cause the cruise line to be more in favour of calling at the Brac.

We had the visit by Princess Line in December last year. They were very pleased and have agreed to come back in January and March of 1998.

There is also the safety of coming through the channel through the Southwest side, not only for the cruise ship but for the local population as well, and those matters should also be attended to.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Is the Honourable Minister stating that the problem with the cruise ships going to Cayman Brac is because they cannot tie up at the dock?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: I did mention that, but I do not think that is the overall problem. It is part of the problem, but I think that because Grand Cayman has so much infrastructure and so many facilities in term of water sports, or duty free shopping in addition to other things, that Grand Cayman, in my view, will always be the more popular port of call. It is the most popular port of call in the western Caribbean where cruise ships come out of Port Everglades or Miami, on to Ocho Rios, Cozumel and back to Florida. So, docking would be an addition that they would favour, but that is not the only solution.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Considering that Grand Cayman was somewhat like Cayman Brac many years ago as regards infrastructure facilities, I wonder if the Honourable Minister has given any consideration to any other forms of anchoring, such as permanent buoys?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: I have tried to take as much advice as I could on this subject in Cayman Brac, and depending upon where the wind actually comes from (I know I spoke about the wind coming directly from the east), and given the information I have received, the anchorage near the area of the Brac Reef is suitable. If the wind comes from the Southeast towards the south, the anchorage in the area of the old Buccaneers would also be suitable.

There is a need to be sure that when passengers disembark, specifically on the north side in the Buccaneers area, that they do not have to negotiate and go around the island to get to the south side to land. I think that is a disadvantage. There is a need to have an additional landing on the north/north-western side, in addition to having the dock. I realise that it is a very expensive proposition and I have been hesitant to even recommend it to Government. I would hate to recommend it and then not get the results we want.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Considering that Government has allocated a considerable amount for advertising and marketing for tourism development in the Cayman Islands, and in view of the statement made by the Minister regarding the dissatisfaction of certain areas with their marketing strategy, I wonder how much significance is being placed by the DOT on the whole question of the development of Cayman Brac through the local marketing strategy?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: I wonder if the Member would help me here and be a little bit more specific. I am not quite clear how to answer his question to his satisfaction.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: The Honourable Minister mentioned that one drawback was that the people responsible for arranging the cruise were dissatisfied with the marketing strategy on that side of the equation. I am wondering what efforts are being made through the DOT to

develop the marketing of Cayman Brac as a cruise destination.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: I thought for a moment that the Third Elected Member for George Town wanted me to clarify this particular point. When I spoke about marketing for the cruise that originated from Cienfuegos, it is marketing from their end—their ability using a marketing agency within Europe (not the DOT)—in such a way as to get passengers to get on a plane, go to Cienfuegos and on the cruise which includes Cayman and Cayman Brac. The company they used did not have the right strategy, I am told, and did not attract the number of people they hoped to. As a result they discontinued it.

I know that I am repeating myself to some extent, but I should finish this by saying that it is my understanding that they are going to use a different marketing company with a different strategy to try and put the cruise back together.

As regards the DOT function, we are targeting Cayman Brac specifically as a destination to attract visitors from the United States, the United Kingdom, Europe and Canada. We are using a number of facilities to accomplish that.

Prior to the last 18 months, the Cayman Islands were promoted as one destination, so to speak. Although sometimes the scenes were from Little Cayman or Cayman Brac, unless you were a Caymanian it would be difficult to say exactly where that scene was taken from. We are now pinpointing Cayman Brac in the ads, using the dive site as an additional draw for scuba diving to Cayman Brac.

The Speaker: If there are no further supplementaries, the next question is No. 58, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 58

No. 58: Mr. Roy Bodden asked the Honourable First Official Member for the total number of current work permits in the Cayman Islands, including temporary work permits, providing a breakdown by category and nationality.

SUSPENSION OF STANDING ORDER 23(7) AND (8) 11.00 AM

The Speaker: Before the Honourable Minister answers that question, may I have a motion for the suspension of Standing Orders to enable Question Time to continue beyond 11 o'clock?

Dr. Frank McField: Mr. Speaker, I move that Question Time be extended.

The Speaker: Do we have a seconder?

The Third Elected Member for George Town.

Dr. Frank McField: I second that motion.

The Speaker: The question is that Standing Order 23 (7) & (8) be suspended to allow Question Time to continue. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. STANDING ORDER 23(7) AND (8) SUSPENDED.

Hon. James M. Ryan: The total number of work permits in effect in the Cayman Islands as of 6th March, 1997, was 12,517. Of the 12,517 work permits in effect, the breakdown by type is as follows: One Year or longer - 11,236; Six months - 785; One month temporary - 496.

The statistics on the breakdown of work permits by category and nationality comprises 62 pages. Accordingly, I seek your permission to lay on the Table of this Honourable House a copy of these statistics, and I have a spare copy of these statistics which the Third Elected Member for Bodden Town may have for his perusal.

The Speaker: So ordered. The Third Elected Member for Bodden Town.

SUPPLEMENTARIES

Mr. Roy Bodden: Can the Honourable Member state Government's policy in regard to maintaining a balance in national origin among work permit holders?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: In the past there was a policy which most Honourable Members will recall was referred to as 1-C which tended to control the number of permits from certain geographical locations. That has since been lifted and is now at the discretion of the Board.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member say if any preference is given in recruiting nationals from any one country?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: No, there is no preference given, but the original restrictions were lifted because the public found that it was extremely difficult and costly to bring persons from further afield. So that restriction was lifted.

The Speaker: If there are no further supplementaries, the next question is No. 59, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 59

No. 59: Mr. Roy Bodden asked the Honourable First Official Member for the total number of Civil Servants in the Cayman Islands' Civil Service, giving a breakdown by Department and nationality.

Hon. James M. Ryan: The total number of Civil Servants in the Cayman Islands' Civil Service with a breakdown by Department and nationality as of 28th February, 1997, is 2,094, and the breakdown is set out by Department, number of staff and nationality.

APPENDIX 1

Department	No. of Staff	Nationality
Governor's Office	4	3 British 1 Caymanian
Cayman Islands' Audit Office	11	7 Caymanian 1 British 1 American 1 Sri Lankan 1 Guyanese
Judicial Department	36	25 Caymanian 4 Jamaican 2 Canadian 2 British 1 Trinidadian 1 Nicaraguan
Portfolio of Internal and External Affairs	29	23 Caymanian 4 British 1 Jamaican 1 Guyanese
Immigration Department	84	83 Caymanian 1 Colombian
Police Department	270	159 Caymanian 45 British 40 Jamaican 7 Belizean 4 Canadian 4 American 2 Barbadian 2 Guyanese 2 Trinidadian 1 Honduran 1 Irish 1 Bahamian 1 Nigerian 1 Nicaraguan
Prison Department	96	40 Caymanian 36 Jamaican 6 Barbadian 5 Belizean 3 Nicaraguan 1 British

Department	No. of Staff	Nationality
		1 St Lucian 1 Fijian 1 Dutch 1 Guyanese 1 American
Personnel/Computer Services Department	69	46 Caymanian 15 British 3 Jamaican
Personnel/Computer Services Department (cont'd)		2 American 1 Canadian 1 Belizean 1 Honduran
Cayman Brac and Little Cayman Administration	34	33 Caymanian 1 American
Legislative Department	7	6 Caymanian 1 American
Broadcasting Department	18	11 Caymanian 3 American 2 Belizean 1 Vincentian 1 Honduran
Legal Affairs	28	10 Caymanian 8 British 3 Canadian 3 Jamaican 2 Trinidadian 1 Ghanaian 1 Irish
Portfolio of Finance and Economics Development	37	32 Caymanian 1 British 1 Australian 1 Jamaican 1 Belizean 1 Trinidadian
Monetary Authority Staff are seconded	24	16 Caymanian 2 Trinidadian 1 New Zealander 1 Jamaican 1 Belizean
Customs Department	77	77 Caymanian
General Registry and Shipping	29	16 Caymanian 6 Jamaican 5 British 1 Trinidadian 1 Barbadian 7 Caymanian 1 St Lucian 1 Trinidadian
Economic and Statistics Office	9	
Treasury Department	19	17 Caymanian 1 British 1 Nicaraguan
Ministry of Tourism	8	5 Caymanian

Department	No. of Staff	Nationality
Commerce and Transport		1 British 1 Trinidadian 1 American
Fire Department	115	115 Caymanian
Tourism Department	25	19 Caymanian 3 American 1 St Vincentian 1 Jamaican 1 Canadian
Ministry of Community Development, Sports, Women's Affairs, Youth and Culture	40	25 Caymanian 4 Jamaican 3 Trinidadian 3 American 2 British
Ministry of Community Development Sports, etc. (cont'd)		1 Canadian 1 Grenadian 1 Cuban
Social Services Department	58	31 Caymanian 7 Trinidadian 7 Jamaican 7 British 3 American 2 Barbadian 1 Canadian
Human Resources	7	7 Caymanian
Ministry of Health, Drug Abuse Prevention and Rehabilitation	20	11 Caymanian 5 American 2 Jamaican 1 Trinidadian 1 Canadian
Health Services Department	304	151 Caymanian 58 Jamaican 31 British 15 Nicaraguan 14 American 8 Indian 7 Canadian 5 Guyanese 3 Trinidadian 3 St Lucian 2 Barbadian 2 Irish 1 Zimbabwean 1 Nigerian 1 Belizean 1 Cuban 1 Dutch
Ministry of Agriculture Environment, Communications and Works	31	20 Caymanian 5 Jamaican 4 American 1 Barbadian 1 Australian
Agricultural Department	24	12 Cayma-

Department	No. of Staff	Nationality
		nian 3 Jamaican 3 Barbadian 2 British 1 Guyanese 1 Trinidadian 1 American 1 Canadian
Department of Environment	14	11 Caymanian 1 British 1 Jamaican 1 American
Department of Environmental Health	22	8 Caymanian 7 Jamaican 2 Trinidadian 1 Barbadian 1 St Lucian 1 Panamanian 1 Sri Lankan 1 American
Department of Mosquito Research and Control Unit	19	13 Caymanian 3 British 1 Dutch
Department of MRCU (Cont'd)		1 American 1 Honduran
Lands and Survey Department	38	20 Caymanian 8 British 5 Jamaican 3 Trinidadian 2 Belizean
Postal Department	59	50 Caymanian 2 British 2 Jamaican 2 Nicaraguan 2 Honduran 1 Belizean
Public Works Department	40	32 Caymanian 5 British 1 Canadian 1 Jamaican 1 American
Ministry of Education, Aviation and Planning	5	4 Caymanian 1 Jamaican
Planning Department	29	17 Caymanian 8 Canadian 3 American 1 Jamaican
Education Department	355	133 Caymanian 77 British 72 Jamaican 18 Barbadian 14 Trinidadian 12 Canadian

Department	No. of Staff	Nationality
		10 American
		6 Guyanese
		3 Pakistani
		2 Irish
		2 Grenadian
		1 Vincentian
		1 Bahamian
		1 Norwegian
		1 Hungarian
		1 Colombian
		1 Nicaraguan
Grand Total:	2,094	

There are 1,293 Caymanians and 801 non-Caymanians employed in the Civil Service as at 28th February, 1997.

SUPPLEMENTARIES

The Speaker: The Elected Member for North Side.

Mrs. Edna M. Moyle: Can the Honourable Member state what departments employ the 40 civil servants listed by the Ministry for Community Development Sports, Women's Affairs, Youth and Culture?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Under that Ministry we also have the Public Library, AIDB, the Sports Department, Museum and National Archive.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: According to my calculation, Caymanians make up 61.7% of the Civil Service, just over half. I notice that the Fire Department has 115 employees of which 115 are Caymanian. My question to the Honourable First Official Member is: What steps are being taken to train, promote and encourage Caymanians to join so that we can have a better ratio between Caymanians and non-Caymanians in some of these other departments.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: There is a training policy in the Civil Service and the Public Service Commission (PSC) is asked to make recommendations to the Governor on this. What essentially happens is that Heads of Departments will submit to the Personnel Department, the PSC, their recommendations for training of Caymanians in the various departments and then the PSC considers all of these and will make recommendation and, subject to funds, training is carried out.

Outside of the Civil Service, as Members will know, the Education Council gives a number of scholarships every year. This would be for persons who would be first-time entrants into the Civil Service. So there is training going on and each Head of Department is invited to make recommendation.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: With respect to training, particularly Civil Servants attending the Law School, Community College and ICCI, I am aware that some of these classes are being offered during the day time. What is Government's policy in regard to permitting these Civil Servants to attend classes, especially during the day time? I understand that there are some difficulties experienced by at least some of them.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Perhaps the Member can be specific in the institution—he named three or four. Is there a particular one, or is there a problem with them all?

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: I think it is a general difficulty in attending all of those institutions. My question is: What is the procedure to allow a civil servant to attend classes at these different institutions?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: It varies from institution to institution. That is why I asked for more information to enable me to give the Member the information he is seeking.

The policy that we do have is day release facilities, whereby a portion of the day can be spent at an institution. In the case of the Law School, the degree programme being a full time programme, it is not possible to release individuals for the degree programme. Obviously, they cannot be at work and be full time students. But there are persons involved in the diploma course, which is part time. At the Community College we have persons who are released for varying lengths of time during the day, sometimes during lunch hour, depending upon the course. So it actually varies from institution to institution.

Wherever possible, Heads of Departments are given leeway to allow their staff to be off for periods of time for study where it does not seriously affect the department's functioning.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: Is the Honourable Member saying that the Head of Department approves training for those individuals as far as releasing them for classes? And what happens if a Head of Department refuses to allow a Caymanian civil servant time off to attend these classes? What process is in place available to that civil servant to speak to someone higher up?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: The Head of Department would make a recommendation for a member of staff to be off, and the PSC is consulted on the matter and would be involved in the decision making.

In the instance of a Caymanian being denied, if the Head of Department says they are unable to release a particular member of staff because it would adversely affect the running of the department, then it is going to be difficult to give permission. But each case will be looked at on its own merit and the Personnel Department and the PSC will try, and does, wherever possible to assist in facilitating the training for Caymanians.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: I will give way to my colleague.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: I am aware that there are some Caymanians who have the initiative to improve their qualifications who have difficulties getting permission to even use their lunch hour to attend classes. I wonder if the Honourable First Official Member can give me an undertaking to look into this to see that this is corrected? It appears to be an attempt by the Head of Department to deprive that Caymanian of a qualification.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I am not aware of any case. I just enquired with the Acting Permanent Secretary of Personnel, and he is also not aware of any case. I would ask the Honourable Member to provide me with the specific cases and I will certainly look into them.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: I noticed the figures given do not include employees in the Statutory Authorities and group employees. My question is: Are those figures likely to be similar percentages in the ratio as those given for the main Civil Service body?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: The reason why the other Statutory Authorities are not included is because they operate independently of Government and, as such, I do not have direct access to them. In the case of group employees, those are handled by individual Heads of Departments. But I would expect the trend to be largely the same.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member say of the non-Caymanians, what percentage are employed under terms and conditions which would mean that at the end of their service they would be getting a gratuity or bonus?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I do not have that information with me. It is somewhat unrelated to the substantive question and I do not have that answer. I would not try to hazard a guess on it.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: The Honourable Member stated in an answer to a supplementary that there is a difference with the Statutory bodies and the group employees. Can the Member state if persons employed by the Statutory bodies and those group employees are paid pension benefits like the 2,094 civil servants? If so, are they paid from the same pool?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: It varies from one Statutory Authority to another. Some are still a part of the Government Pension Scheme, some are not. It simply depends upon the Statutory Authority. One or two have been long standing and their employees were seconded—we've got a mixed bag of arrangements.

On the group employees, yes, the Member will remember that we included them in an amendment to the Pensions Law and they are now under Government's Pension Plan.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Member then state if it would be fair to assume that an exact figure for the number of employees within the Service is to be had, these other areas should be added? Or is it the case that there is a good reason for why they are separated?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I wonder if the Member could elaborate a bit further on that so that I can give him the answer he is looking for?

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: The substantive question asks for the total number of civil servants. The answer given was 2,094. We just discussed other employees, namely, those in certain Statutory bodies and the group employees. The answer being 2,094— If that is what we call the Civil Service, what do we call the rest?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: This group comes under the definition of "Civil Servant", they are directly under the Civil Service. Group employees are employed by departments. Without getting into a long discussion, they have always been referred to as "Government's tempo-

rary work force"—a bit of a misnomer. The other group, that is, those under the Government's pension scheme, employees of Statutory Authorities are not strictly civil servants. They are outside. I said earlier that we have a mixed bag. It is a complex answer to give, and I am not sure that I have answered the Member's question—but I tried.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I wonder if the Honourable First Official Member could state whether civil servants seconded to Statutory Authorities are included in the 2,094?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I know that some are. The Civil Aviation Authority is included and the Monetary Authority which is a recent institution is specifically mentioned. I do not believe that the other Statutory Authorities where the members are part of the pension scheme are included.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: I note that under Sister Islands Administration there are 34 with one being an American. I wonder if the Honourable First Official Member could say what department the American is employed in, and whether or not he/she has a Caymanian spouse?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I am going to have to admit quite candidly to the Member that I do not have that information. I will certainly attempt to get it for her.

The Speaker: The Third Elected Member for Bodden Town. I will allow one more supplementary after this.

Mr. Roy Bodden: Can the Honourable Member say if any consideration is being given to employees in the Statutory Authorities and the group employee section to ensure that long serving employees in these categories are not denied any benefits which their colleagues in the regular Civil Service are receiving, in terms of health insurance and pensions?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I am pretty sure that it has been taken care of. The persons in the Statutory Authorities which fall under Government's pension scheme enjoy the same benefits as regular civil servants. As I mentioned earlier, group employees have now been included in the pension scheme, health benefits and other benefits which apply to regular civil servants.

The Speaker: Question No. 60 is standing in the name of the First Elected Member for George Town.

QUESTION NO. 60

No. 60: Mr. D. Kurt Tibbetts asked the Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture to list, by gender and district, the number of persons receiving monthly assistance to the indigent from the Government.

Hon. W. McKeeva Bush: I am dealing with temporary and permanent assistance in both answers. From the Social Services Department Cayman Brac:

Cayman Brac	Male	Female
Spot Bay	16	22
Creek	1	11
Watering Place	7	14
Stake Bay	2	2
West End	2	11

Grand Cayman: (under 60 years)

Grand Cayman	Male	Female
Bodden Town	0	0
East End	0	0
North Side	0	0
George Town	1	3
West Bay	2	1

That is all temporary assistance given through the Department of Social Services for persons under 60 years.

For persons over 60 years of age who get assistance through the Ministry of Community Development:

Grand Cayman	Male	Female
Bodden Town	20	37
East End	6	4
George Town	37	89
North Side	6	15
West Bay	55	121

The Speaker: If there are no supplementaries, the next question is No. 61, standing in the name of the First Elected Member for George Town.

QUESTION NO. 61

No. 61: Mr. D. Kurt Tibbetts asked the Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture to give an update on any proposed low cost housing scheme being pursued by Government.

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: In September 1996, I provided to this Honourable House, in reply to this same question from the now Third Elected Member for Bodden Town, a comprehensive answer to this question. Since that time, in order to fully examine this issue and to make recommendations for an effective, feasible and acceptable lower income Housing initiative, Executive Council, in

January approved the establishment of an Affordable Housing Exploratory Committee. The Committee will carry out the following general terms of reference:

1. Research and examine the need for low cost housing provision.
2. Assess the progress made to date and conduct other research as necessary.
3. Review strategies and systems used by, or in, similar territories; undertake visits/tours as necessary.
4. Conduct research and develop working "partnerships" with local contractors/developers, building material suppliers, land owners, etcetera.
5. Make recommendations and assist with the implementation of approved initiatives.

The members of this Committee are myself as Chairman, Mr. Mario Ebanks (Senior Assistant Secretary in my Ministry) as Secretary, Mr. Daniel Scott, Mr. G Anthony Powell, Mr. Thomas Ebanks, Dr. Frank McField, MLA, and Mr. Carson Ebanks (the new Permanent Secretary in my Ministry).

Much time and thought will continue to be expended into the examination of ways and means of bringing this long overdue and important initiative to a satisfactory conclusion.

SUPPLEMENTARY

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: In the substantive answer, part four refers to "conducting research and developing working partnerships with local contractors, developers, building material suppliers and land owners..." Is there any position being taken as to exactly what kind of involvement Government will have in such a project, whether Government will only organise it or will it be further involved?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: This subject of low-cost housing is one that is causing us problems. One problem is the expectation of even the lower income people to own a home above their means. It is a fact that we are not going to get low income housing the traditional way in Cayman. Materials and labour are very expensive. On top of that property, while available, is very expensive. A big problem is that even when property can be found, Caymanians and other residents do not want this type of scheme in their neighbourhoods. That is a fact.

These are the issues we have to come to grips with. I have several views as to what we are going to have to do in the final analysis, but I want to explore every possible means through the Committee to see what they will come up with. In fact, they will call others to assist them.

We have been looking at several different systems overseas, one with a Swiss company which introduced one in San Pedrosula. We also visited Jamaica to look at an all cement house offered by several large developers there. We have looked at systems in the Bahamas and the United States, as well as Europe. We always come back to the same thing: we are not going to get the type of homes we know as low income housing in Cayman. We are going to have to get something else. That is only my view at present. As I said, I want to wait until I can further discuss this matter at the committee level where we can get more ideas and expertise.

The Speaker: If there are no further supplementaries, the next question is No. 62, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 62

No. 62: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture to state: (a) how many persons are employed at the Kirkconnell's Home Care Centre in Cayman Brac (also known as the Rest Home); and (b) provide a breakdown of the employees by nationality, position held and whether the position is full-time or part-time.

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: A total of 17 persons are currently employed at the Kirkconnell Community Care Centre as at 2nd April, 1997.

The staff consists of 12 full-time Caregivers. Among them are: three Caymanian; one Trinidadian; seven Jamaicans; one United States' citizen married to a Caymanian; four Domestic: two Jamaican cooks (one full-time/one part-time two days/week; the part-time person is hired in the Community Care Workers' programme and relieves the full-time cook).

Two Housekeepers (one full-time/one part-time three days/week) both Caymanian; one Charge person, full-time post; practical nurse training and experience; Jamaican, seconded from Grand Cayman Community Care Workers' Programme since August 1996 until someone was recruited for the Charge person role.

In recruiting for the Home, a total of 150 applications were received. Of these 150 applications, 100 were from Grand Cayman and a total of 50 applications were received from Cayman Brac; 24 applications before the advertisement in the *Caymanian Compass* and 26 more after the advertisement. Of the 50 applications received from Cayman Brac, 13 were from Caymanians and 37 were from non-Caymanians.

Many applicants were not interested in the caregiving job. At the interviews on Cayman Brac, all the Caymanian applicants were interviewed for the jobs they

applied for. Several were asked to interview for other positions in order to afford employment. Some refused. A short-list of 29 was compiled from the 150 applications; 22 applicants from Cayman Brac (13 Caymanians and nine non-Caymanians); and seven non-Caymanians from the Grand Cayman applicants.

From the 13 Caymanians short listed for interview in Cayman Brac, one person left the Island prior to interview; 12 were interviewed. Of these 12 persons, two were not hired. The two persons who were not hired were unsuitable, but were already in full-time employment elsewhere. One individual declined the job at the interview stage. Nine Caymanians were hired.

Of the 16 non-Caymanians interviewed, nine were from Cayman Brac and seven from Grand Cayman. Six of the nine from Cayman Brac were hired, while three of the seven applicants in Grand Cayman were hired. Thus a total of nine non-Caymanians were hired through the interview process. Two non-Caymanians were transferred from the Community Care Workers' Programme in Cayman Brac to the Kirkconnell Home. This brought the total number of staff hired in July 1996 to 20 persons, nine Caymanians and 11 non-Caymanians.

Subsequent to this recruitment in July 1996, and prior to the Home actually opening on 24th August 1996, one Caymanian decided to take another job; one staff member from the Community Care Workers' Programme in Grand Cayman was seconded temporarily to Cayman Brac as the Charge person.

After the Home opened in August 1996, one Caymanian became ill and had to leave the job in September 1996; two non-Caymanians were terminated due to poor performance in October 1996; one Cayman was hired in November 1996 as a caregiver; one Caymanian quit her job in January 1997. This brought the staff complement at 2nd April, 1997, to 17 persons. One more Caymanian is in the process of being hired as a caregiver and should by now have commenced work. When this new caregiver starts in April, the Home will have a staff complement of 18.

SUPPLEMENTARIES

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: I noticed the answer referred to one employee being a US citizen married to a Caymanian. Can the Honourable Minister say whether or not in the last week or two this person walked off the job?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: The answer I have from the Social Services Department is that the person referred to is on temporary leave due to illness. She could not per-

form her required duties. Accordingly she is not fired, nor has she left the employment.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: In the substantive answer I also note that one Caymanian decided to take another job. Is the Minister in a position to say why it seems to be the Caymanians who become ill and quit their jobs, as "one Caymanian became ill and one Caymanian quite her job in 1997"?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: The information I have from the Department is that the person was sick and advised by the doctor not to work. They cannot give any explanation as to why the other person would not continue to work.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister state if any scheduling problems have been experienced by the Caymanian staff?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: Can I ask the Member to repeat that question?

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister state if any scheduling problems have been experienced by the Caymanian staff?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: None that the Department is aware of.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Would the Honourable Minister give an undertaking to peruse the schedule in particular to those persons who left to see if that constituted a reason for what we prefer to call constructive dismissal?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: I will certainly give that undertaking. I would like to see what the schedule says myself. I will reply in writing to the lady Member.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Again, referring to the substantive question, I noticed that two persons were not hired because they were unsuitable but were already in full time employment elsewhere. I wonder if the Minister is in a position to say whether since that time one of these persons originally deemed to have been unsuitable has been re-hired in a temporary capacity to replace a Jamaican national?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: The Department does not have an answer at this time, but I will get the information for the First Elected Member for Cayman Brac and Little Cayman.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: If it would assist the Honourable Minister, I can give him the names and positions afterwards.

Hon. W. McKeeva Bush: I would appreciate that.

The Speaker: If there are no further supplementaries, the next question is No. 63 standing in the name of the Third Elected Member for George Town.

QUESTION NO. 63

No. 63: Mr. Linford A. Pierson asked the Honourable First Official Member to state whether children born in the Cayman Islands to individuals on work permits are allowed to remain with their parents in the Cayman Islands.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: There are provisions for the holders of work permits to seek variation of their work permits to include dependent children whether born within or outside the Cayman Islands. Such variation is subject to the Immigration Board's approval and an application must be made by the parent.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Can the Honourable Member state for clarification whether this would apply to skilled individuals such as barbers and teachers?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Each application is considered on its own merit. The criteria usually applied is the category of occupation of the applicant. The sufficient wages for salary earned by the work permit holder and the number of current dependants.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Can the Honourable Member state whether this decision is at the discretion of the Immigration Department, or the Immigration Board?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: The discretion is given to the Immigration Board. As I recall, it forms part of the directives given to the Board.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Can the Honourable Member state if he is aware of any such consideration being given by the Immigration Department itself, rather than the Board?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: It has to be dealt with by the Immigration Board because the permit would be granted by the Board and any variation would have to be dealt with by the Immigration Board, rather than the Department.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: To assist with this particular matter, I would be happy to meet with the Honourable Member after this Session to bring to his attention cases which were dealt with at the counter of the Immigration Department. The persons applying were told that they would have to send the young baby back to the country of origin.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I would be quite happy to meet with the Member, but what I can state to assist him is that dependants are not allowed on Temporary Permits. It would only be on longer permits. That may have been the

reason. But, I will certainly be very happy to meet with the Member and get the details. I will have the matter looked into.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: The particular case in point is really not one of a temporary nature. The parents were on full permits.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I thank the Member for that information, and I will be happy to meet with him to endeavour to sort the issue out.

The Speaker: If there are no further supplementaries, the next question is No. 64 standing in the name of the Third Elected Member for George Town.

QUESTION NO. 64

No. 64: Mr. Linford A. Pierson asked the Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture if there are any immediate plans to build any new Community Parks in central George Town and, if so, when and where.

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: In 1996, plans were submitted for three parks in George Town. These parks are: (a) Smith Road Oval Park at the old Agricultural Grounds; (b) Airport Park opposite Fosters' Food Fair, next to the new Post Office; and (c) George Town Primary Park at the "Annex". I can go on to say that funds are in the Budget to assist with the building of some of these parks this year. Last year funds were given to a group in Windsor Park.

The Speaker: If there are no supplementaries, the next question is No. 65 standing in the name of the Third Elected Member for George Town.

QUESTION NO. 65

No. 65: Mr. Linford A. Pierson asked the Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture what procedure is followed by individuals who qualify for assistance from Government for housing.

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: The client who is assessed and qualifies for housing assistance need do nothing other than periodically check with the Social Services Department, if they wish, on the progress being made with the repairs. The Social Work Assistant who works with this project, usually follows up on all cases to keep the clients informed as well as to check with the Public Works Department on the status of the work or when they will start on a particular project. When a referral is received for housing assistance, the following is the complete process that is followed:

1. Referral received.
2. If the case is already open on the individual referred, the assigned worker evaluates the request for housing aid and if the person is assessed to be in need, a referral is passed to the Deputy Director.
3. If there is no existing case file on the person or the case is closed, then the referral is assigned to a Social Worker for a complete needs assessment which includes a financial assessment. If the person is assessed to be in need of service, the matter is referred to the Deputy Director.
4. On receiving referrals for housing aid, the Director and Deputy Director review the information provided. If additional information is required, the matter is sent back to the assigned social worker for further assessment and provision of additional information. The additional information could be:
 - (a) clarification of property ownership;
 - (b) ability of client's children to provide some assistance in meeting their needs;
 - (c) type of housing assistance required, etcetera.

If all is in order when the referral is initially received, a form is completed and sent to the Public Works Department to assess:

- (a) Can the work be done, is the structure beyond repair or repairable?
- (b) If it is to be a new house, can the property accommodate it?
- (c) Complete an estimated cost of the work to be done. This usually entails obtaining bids from contractors on jobs which the Public Works Department is unable to do directly. The ones they can do directly, they provide an estimate on as well.
- (d) Identify any other needs, such as the need to request waiver of planning fees from the Honourable Financial Secretary if the project is to be done.
- (e) Provide Social Services Department with a completed estimate or report on concerns regarding projects unable to do and why.

5. On receiving this information a meeting is set with the Public Works Department/Social Services Department (from PWD, the Project Officer from SSD, the Director and Deputy). We review all estimates and decide on which jobs we can proceed with, dependent upon available funds and urgency of need. This is done in consultation with the Ministry of Community Development, Sports, Women's Affairs, Youth and Culture.

6. Authorisation is then given in writing to PWD to proceed with work at estimated cost.

7. Periodic reviews are held to check on progress of work, deal with any problems arising, monitor expenditure and deal with new referrals.

8. The Ministry requires periodic updates on these projects.

9. The client is always advised that there is a waiting period which varies dependent upon the number of persons ahead of them for service. Discretion is used in cases where there is an indication of dire need or other exceptional circumstances such as serious illness where the repairs are essential to the comfort and recuperation of the individual, or where young children are involved.

10. If funds are depleted and there are still outstanding projects, supplementary funding is sought and if it is close to the end of the year those cases are carried forward into the next year and form the first referrals for service in that next year. This is explained to the client if we foresee this happening.

11. When work is completed, if there are no other services being provided to the client, the file is closed.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I would just like to thank the Member for his comprehensive answer. It will indeed help many people in the public, as I have had a number a queries. I do not have a supplementary.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Just on a point of clarification, can the Honourable Minister state if this same procedure is applicable to Cayman Brac and Little Cayman, or is it left to the Social Services officer in charge of that district?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeever Bush: The social workers in Cayman Brac are supposed to carry out the same procedure. I understand, from different complaints I have received and from my visits to Cayman Brac, that there are some problems. I hope to have these addressed in the new year. When I say problems, I mean people are in need, but cannot get anything done.

The Speaker: If there are no further supplementaries, I have had an apology from the Third Elected Member for Bodden Town who had to leave the premises. I would therefore ask that deferred question No. 54 be again deferred to another sitting. May I have a motion?

The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I am happy to defer it to whenever the Member wishes to ask it. If the Clerk would just liaise with him...

DEFERRAL OF QUESTION NO. 54

Standing Order 23(5)

(Deferred on the 17th April, 1997)

The Speaker: Thank you. I need to get a motion under Standing Order 23(5) that the question be deferred. Would you so move?

Hon. Truman M. Bodden: I so move.

The Speaker: The question is that the question be deferred until a later date. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. QUESTION NO. 54 DEFERRED.

The Speaker: That concludes Question Time. Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 12.13 PM

PROCEEDINGS RESUMED AT 12.44 PM

The Speaker: Please be seated. Statements by Honourable Members/Ministers.

The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

STATEMENTS BY HONOURABLE MEMBERS/MINISTERS OF GOVERNMENT

LOW COST HOUSING

Hon. W. McKeever Bush: In recent weeks there have been several rancorous letters in the *Caymanian Com-*

pass. A few of these letters, which did nothing other than attack the Government, claimed that the 7.5% waiver of stamp duty on dwelling units (as houses, apartments, duplexes particularly) valued up to \$125,000 and house lots valued up to \$35,000 with the first \$25,000 free of stamp duty, would not help the Caymanians as designed. As the Minister responsible for housing, I wish to take issue with this type of malice.

This House is aware that this waiver is designed to help Caymanian first-time homeowners/purchasers in the price ranges as outlined. This claim is utter nonsense, written by people who obviously do not know what they are talking about. As Minister for housing, I know of many people who are eagerly awaiting this type of assistance in order to be able to own a home. My Ministry receives numerous calls from potential homeowners who are unable to qualify for the amount of mortgage they need by a marginal amount, as they do not have sufficient cash for the undertaking. They are disenfranchised.

In most cases, if they were given assistance of this nature, they would be able to qualify for a mortgage to purchase a dwelling unit or land to build a home. We have been told by several of the class 'A' commercial banks participating in the Government's Guaranteed Home Mortgage Scheme that there are many Caymanian applicants who are denied on marginal grounds. The problem is worsened by the fact that there is a severe lack of available housing units for the low income sector as outlined in my answer to a Parliamentary Question.

We are all familiar with the saying, "So near, yet so far." As a Government with a social conscience we cannot sit by and allow this situation to prevail if we are to ensure a sustainable socio/economic development of these islands. As an indication of how helpful this initiative can be, that is the waiver of stamp duty, 181 single family houses valued at \$125,000 or less, were approved by the Central Planning Authority in 1996. For the first quarter of 1997, 19 houses in this category have been approved. In addition, as I have previously stated since the inception of the Home Mortgage Scheme, over 135 dwelling units have been supplied to qualifying Caymanians. The value of these mortgages is \$12.6 million.

Simple mathematics will clearly show the savings which could have been obtained by these new homeowners if they had benefited from this new waiver. The greater consideration at this time is how many more people could have now been homeowners if this concession had been placed a few years ago. I trust that they will now be able to realise their dream of home-ownership.

It should also be obvious—even to the greatest of detractors—that with this waiver in place we should see many more Caymanians able to purchase a dwelling unit or land on which to build. According to the Cayman Islands Real Estate Association listing data, there are currently 50 dwelling units priced up to \$125,000 with a total value of \$5.1 million, and 95 parcels of land priced up to \$35,000 listed with the association by its member Realtors.

It shows that the 7.5%, even on land valued up to \$35,000, but getting a waiver of stamp duty on \$25,000,

will assist our people. This Government firmly advocates that all Caymanians share in the economic growth of our islands, and also that homeowners have a greater stake in the community and will therefore make better citizens, resulting in a better society for all to live in and do business. I trust that this will clarify the benefit of this waiver and that we will all work together to see that the benefit is fully achieved by those Caymanians it is designed to assist.

GRATUITIES AUDIT

(12.49 PM)

Hon. W. McKeeva Bush: Mr. Speaker, Members of this House will recall that last September I announced that the accounting firm of Ernst and Young, acting under the auspices of the Department of Human Resources and with the assistance of Labour Inspectors, was then in the process of auditing the gratuities collection and distribution records of seven selected establishments. At that time I gave an undertaking to report the findings of these audits to this Honourable House and to the public in due course as appropriate.

The Department of Human Resources has now completed the major analysis of these audit reports and is actively working to ensure that immediate corrective action is being carried out. Sufficient discrepancies have been uncovered to substantiate our suspicions that the Labour Law is not always being complied with in regards to gratuities. One main area of concern is the sharing in gratuities by unauthorised persons, in particular owners and/or management personnel as defined by the Labour Law and contracted persons such as those provided by janitorial services companies.

Another concern is the myriad gratuity distribution schemes used by those establishments collecting gratuities—some of which are so complicated as to virtually allow the employer to allot unfairly large shares of gratuities to favourite employees. In an attempt to correct that situation, the Director of Labour is now soliciting an updated gratuities distribution scheme from every establishment collecting gratuities in the three Islands with a view to examining the possible necessity of the Governor in Council prescribing a distribution formula as authorised by Section 37, Subsection (1) of the Labour Law if changes cannot be agreed otherwise.

Other concerns that we are attempting to address include the maintenance of records—off-shore by some establishments, payment of gratuities in cash by some employers without proper documentation as to amounts, and the difficulty of reconciling Treasury's accommodation tax records with records of gratuities collected and distributed by establishments.

It has never been, nor will it ever be, the intention of my Ministry to harass or in any way deal unfairly with any employer in this country. However, I want to make it clear to everyone that the Labour Law is a Law of the land—a much-needed Law designed to protect the rights of employers and employees alike, and to provide this country with a competent and peaceful labour force. We are de-

terminated that it must be obeyed—action will be taken, including action through our courts if necessary, to assure compliance. To this end, we intend to conduct such audits and inspections in the future as we see the need.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

PUBLIC TRANSPORT

(12.54 PM)

Hon. Thomas C. Jefferson: The Government is concerned about the large number of transport buses operating on certain routes in Grand Cayman. The advice of the Honourable Attorney-General was sought on this matter. There are provisions in the current Traffic Law and Regulations which can appropriately address this problem.

Section 48 of the Traffic Law, 1991, authorised the Governor in Council to make regulations which include the conditions under which public passenger vehicles may operate. Consequently, The Public Passenger Vehicles Regulations, 1995, was brought into force. Regulation 4 sets out conditions which the Board shall have regard to in addressing the suitability of an applicant for a permit. Significantly, condition 2 (a) states that the applicant **“is a Caymanian who is not less than 21 years of age, and not older than 70 years of age.”**

It is intended to amend this condition to the extent that persons older than 70 years of age may be issued a permit provided that a doctor has given an opinion that the person is still fit enough, both physically and mentally, to continue driving safely on the roads.

Regulation 4 (3) sets out four categories of service for which permits may be granted. Under Regulation 4(3)(b), one category is the provision of a bus service on a bus route in accordance with a regular schedule. It follows from this that the Board can condition a permit so that it is restricted to a specified route if necessary in accordance with a regular schedule. It is this regulation which we believe can most appropriately address the problem of overcrowding on certain routes.

In essence, this means that the Public Transport Board (which is appointed by the Traffic Law) has the power to issue permits to applicants for a specific route or routes. It would then be illegal for those permit holders to service routes not authorised by the Board. If they do so, they would almost certainly have their permits revoked by the Board. This will enable the Board to reduce the overcrowding on the routes where problems are being experienced.

In view of the foregoing, and in order to address this problem, the Ministry of Tourism, Commerce and Transport intends to ask Executive Council to issue a directive to the Public Transport Board to the effect that there should be no general permits authorising bus drivers to drive on all bus routes, but, instead, permits should be conditioned to clearly state what route or routes the bus is allowed to service; and should also include specified pick-up and set-down points. Once the directive has been issued, the Public Transport Board will be asked to implement it immediately.

Additionally, the current waiting area for buses located outside the Bank of Nova Scotia building will be moved to a location more convenient to both the public and the bus operators.

I thought it appropriate to make this statement because there are many things happening on the roads today that we are all unhappy with. We have to put it correctly in order.

SHORT QUESTIONS Standing Order 30(2)

Mr. John D. Jefferson, Jr: Mr. Speaker, I wonder if in accordance with Standing Order 30(2) I may be allowed to ask the Minister a few questions?

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: Thank you, Mr. Speaker.

Let me preface my question by saying that I am very pleased to hear this announcement in respect of dealing with bus transportation. I wonder if the Honourable Minister can give us an idea as to how quickly he sees this new system being put in place?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: That is a good question. One of the things we need in order to put this into force, is not only the approval of Executive Council for the directive, but for specific criteria set out in a legally drafted directive so that the Public Transport Board will not be in doubt as to what Executive Council wishes it to do. Provided that can be done quickly, my estimate would be within the next fortnight.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: The other area I have a concern with is the licensing and inspecting of vehicles at the district level. I wonder if the Honourable Minister can say if he has any plans in mind to address this issue?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: I remember when Martin Luther King said, “I have a dream.” I must say that I have been dreaming about this opportunity for a long time—until November 1996 when I got the subject of Transport.

We have been meeting on an almost fortnightly basis with the Public Transportation Board looking at not only the matters that need to be brought into force under the regulation, but also examining the Michael Bradley Report which deals with Tourism Related Transport.

We broached this subject raised by the Third Elected Member for West Bay. My own personal feeling and recommendation to the Executive Council will be that we de-centralise this licensing process, that we allow the district post offices to collect the revenue due Govern-

ment for the inspection fee and annual registration fee, and to license garages or gas stations that can satisfactorily carry out the exercise of examining vehicles. Obviously, those places would need to satisfy the Public Transportation Board that they have sufficient mechanical skills to carry out the work the Law requires them to. I believe that it is time to make a decision along these lines.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: The Honourable Minister mentioned that he intends to allow the district post offices to collect fees on behalf of the Traffic Department. Would that mean that the respective offices will have computers linked up to the Traffic Department in order to access the relevant information on vehicles, etcetera?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: The view of the Public Transportation Board is that the licensing system should fall under a Director of Licensing. It should no longer be connected with the Police. Somewhere within what is known to be the Headquarters of the Licensing system there should be a network of computers that tie the operations of post office into the home system so that whatever happens with licensing in East End, West Bay or any other district, the record is also at 'home' in George Town.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: I wonder if the Honourable Minister could inform the public as to how soon he anticipates the new service will be available at the district level?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: I think after answering all of these questions, I must say to Honourable Members of the House that I am scheduled to be officially off the island all of next week. Obviously, before we can do anything, a paper has to go to Executive Council and be approved. That is really step one. Then the directive should also go to Executive Council dealing with specific statements mentioned in my announcement. Once those hurdles are passed, I believe that we can move on very quickly with it.

I am unable to say with confidence what the timing is in this respect. What I will undertake to do is keep every Member of this Honourable House informed as we move step by step. I emphasise EVERY Member.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: This is an issue which we have been talking about since 1988. I wonder if the Minister could say if he expects the service to be available in the districts by September, or October, or by the end of 1997?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: I would like to say next week! But I know that is not practical. I would like to say it is next month, but I am doubtful if that is practical. I would like to say two months from today, but I also have doubts that it is possible. What I will say to the Member is that he can be assured, and every Member of this House can be assured.... Let me step back and say that I hope that I have the support of every Member of this House to implement what I am talking about. If I have that, I would undertake to say within three months it should all be in place.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: I wondered if the Member has already consulted with the other Members of Executive Council about this plan, then maybe he could say if the exception for people who have reached the age of 70, for example, will come into play as soon as he returns from abroad? Will that be within the next few weeks?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: That is an item that is urgent in my view. I will do that within the next fortnight.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: I wonder if the Honourable Minister can say if the content of his statement relates to the situation as it stands in Cayman Brac?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: My good lady friend from Cayman Brac can be assured of whatever assistance I can give to that area—I am talking about the Cayman Islands as a whole.

The Speaker: If there are no further questions, proceedings are suspended until 2. 45 PM.

PROCEEDINGS SUSPENDED AT 1.10 PM

PROCEEDINGS RESUMED AT 2.55 PM

The Speaker: Please be seated. Government Business, Bills. Report on the Appropriation Bill, 1997.

The Honourable Third Official Member responsible for Finance and Development

GOVERNMENT BUSINESS

BILLS

REPORT ON BILL

THE APPROPRIATION BILL, 1997

Hon. George A. McCarthy: Mr. Speaker, I beg to lay on the Table of this Honourable House, the Finance Committee Report on the Appropriation Bill, 1997.

The Speaker: So ordered.

The Honourable Third Official Member responsible for Finance and Development

Hon. George A. McCarthy: Thank you, Mr. Speaker.

"1. REFERENCE

In accordance with the provisions of Standing Order 63(3) the Legislative Assembly Standing Orders (1997 Revision), the Appropriation Bill, 1997, together with the Draft Estimates of Revenue and Expenditure of the Cayman Islands' Government for the year ended 31st December, 1997, stood committed and referred to the Standing Finance Committee following the Legislature's Second Reading of the Bill on Thursday, 3rd April, 1997.

2. NOTICES OF COMMITTEE STAGE AMENDMENTS TO THE APPROPRIATION BILL, 1997

Six notices of Committee Stage Amendments to the Appropriation Bill, 1997, were circulated to Members on Friday, 4th April, 1997, together with amendments to the Draft Estimates.

3. STATEMENT BY THE CHAIRMAN IN REGARD TO THE POSITION AND PARTICIPATION OF SPEAKER IN THE STANDING FINANCE COMMITTEE

The Chairman read a statement in regard to the position and participation of the Honourable Speaker in the Standing Finance Committee.

4. MEETINGS

The Committee sat for seven days viz:-

- (i) Friday, 4th April, 1997
- (ii) Monday, 7th April, 1997
- (iii) Wednesday, 9th April, 1997
- (iv) Thursday, 10th April, 1997
- (v) Friday, 11th April, 1997
- (vi) Monday, 14th April, 1997
- (vii) Wednesday, 16th April, 1997

5. ATTENDANCE OF MEMBERS

In accordance with the provisions of Standing Order 75 (1997 Revision) the composition of the Standing Finance Committee consists of the Financial Secretary as Chairman and all the Elected Members. Those present were:

Hon George A McCarthy, JP, Financial Secretary (Chairman)
 Hon W McKeever Bush, OBE, JP
 Hon Thomas C Jefferson, OBE, JP
 Hon Anthony S Eden, JP
 Hon Truman M Bodden, OBE, JP
 Hon John B McLean, OBE, JP
 Mr. John D Jefferson, Jr
 Mr. D Dalmain Ebanks

Mr. Kurt Tibbetts
 Mr. Linford A Pierson, JP
 Dr. Frank S McField
 Mrs. Julianna Y O'Connor-Connolly
 Hon Mabry S Kirkconnell, MBE, JP, Speaker
 Miss Heather D Bodden
 Mr. Roy Bodden
 Mrs. Edna M Moyle, JP, Deputy Speaker

Absent with Apology for first Sitting: Mr. D Dalmain Ebanks
 Absent with Apology for second Sitting: Mr. D Dalmain Ebanks
 Absent with Apology for third Sitting: Mr. D Dalmain Ebanks
 (absent for the afternoon sitting) Hon John B McLean, OBE., JP
 Absent with Apology for fourth Sitting Hon John B McLean, OBE., JP
 Absent with Apology for fifth Sitting Hon John B McLean, OBE., JP
 Absent with Apology for sixth Sitting Hon George A McCarthy, OBE., JP, Mr. Linford A Pierson, JP
 Absent with Apology for seventh Sitting Mr. Linford A Pierson, JP

6. PERSONS IN ATTENDANCE AND WITNESSES

Mr. Joel Walton, Deputy Financial Secretary, Mr. Peter Gough, Director of Budget and Management Services, and Mrs. Dalphine Terry, attended all the of the Committee meetings.

Senior Civil Servants (that is, Principal Secretaries and Heads of Departments) were summoned, with the permission of the Speaker, to witness before the Committee.

7. CLAUSES 1 AND 2 OF THE APPROPRIATION (1994) BILL, 1993

In accordance with the provisions of Standing Order 64(1), Clauses 1 and 2 of the Bill stood postponed until the conclusion of the consideration of the Schedule.

8. CONSIDERATION OF THE SCHEDULE OF THE APPROPRIATION BILL, 1997

[During the course of the Committee's proceedings, the following approvals were granted.]

- (1) HEAD 01 - HIS EXCELLENCY THE GOVERNOR
 APPROVED: CI\$ 517,297
- (2) HEAD 2 - CAYMAN ISLANDS AUDIT OFFICE
 APPROVED: CI\$ 544,857
- (3) HEAD 03 - JUDICIAL
 APPROVED: CI\$ 2,846,892

PORTFOLIO OF INTERNAL AND EXTERNAL AFFAIRS

- (4) HEAD 04 - PORTFOLIO OF INTERNAL AND EXTERNAL AFFAIRS
 APPROVED: CI\$ 2,106,929.00
- (5) HEAD 05 - IMMIGRATION
 APPROVED: CI\$ 2,936,647.00
- (6) HEAD 06 - POLICE
 APPROVED: CI\$ 10,797,969.00
- (7) HEAD 07 - PRISON
 APPROVED: CI\$ 4,493,968.00
- (8) HEAD 08 - PERSONNEL
 APPROVED: CI\$ 5,422,356.00
- (9) HEAD 09 - CAYMAN BRAC AND LITTLE CAYMAN ADMINISTRATION
 APPROVED: CI\$ 3,320,856.00
- (10) HEAD 10 - LEGISLATIVE
 APPROVED: CI\$ 1,710,119.00
- (11) HEAD 11 - BROADCASTING
 APPROVED: CI\$ 838,445.00

PORTFOLIO OF LEGAL AFFAIRS

- (12) HEAD 12 - LEGAL AFFAIRS
 APPROVED: CI\$ 1,989,622.00

PORTFOLIO OF FINANCE AND ECONOMIC DEVELOPMENT

- (13) HEAD 13 - PORTFOLIO OF FINANCE AND DEVELOPMENT

- APPROVED: CI\$ 17,591,255.00
 (14) HEAD 14 - FINANCIAL SERVICES SUPERVISION
 APPROVED: CI\$ -0-
 (15) HEAD 15 - CUSTOMS
 APPROVED: CI\$ 3,504,145.00
 (16) HEAD 16 - GENERAL REGISTRY AND SHIPPING
 APPROVED: CI\$ 1,419,632.00
 (17) HEAD 17 - ECONOMICS AND STATISTICS OFFICE
 APPROVED: CI\$ 609,134.00
 (18) HEAD 18 - TREASURY
 APPROVED: CI\$ 1,090,584.00

MINISTRY OF TOURISM, COMMERCE AND TRANSPORT

- (19) HEAD 19 - MINISTRY OF TOURISM,
 COMMERCE AND TRANSPORT
 APPROVED: CI\$1,430,672.00
 (20) HEAD 20 - FIRE
 APPROVED: CI\$4,916,077.00
 (21) HEAD 21 - TOURISM
 APPROVED: CI\$19,269,953.00

MINISTRY OF COMMUNITY DEVELOPMENT, SPORTS,
 WOMEN'S AFFAIRS, YOUTH AND CULTURE

- (22) HEAD 22 - MINISTRY OF COMMUNITY DEVELOPMENT,
 SPORTS, WOMEN'S AFFAIRS, YOUTH AND CULTURE
 APPROVED: CI\$ 9,214,577.00
 (23) HEAD 23 - SOCIAL SERVICES
 APPROVED: CI\$ 7,200,811.00
 (24) HEAD 24 - HUMAN RESOURCES
 APPROVED: CI\$ 572,611.00

MINISTRY OF HEALTH, DRUG ABUSE PREVENTION
 AND REHABILITATION

- (25) HEAD 25 - MINISTRY OF HEALTH, DRUG ABUSE
 PREVENTION AND REHABILITATION
 APPROVED: CI\$ 1,443,455.00
 (26) HEAD 26 - HEALTH SERVICES
 APPROVED: CI\$ 22,134,684.00

MINISTRY OF AGRICULTURE, ENVIRONMENT,
 COMMUNICATIONS AND WORKS

- (27) HEAD 27 - MINISTRY OF AGRICULTURE, ENVIRONMENT,
 COMMUNICATIONS AND WORKS
 APPROVED: CI\$ 2,285,234.00
 (28) HEAD 28 - AGRICULTURE
 APPROVED: CI\$ 2,133,396.00
 (29) HEAD 29 - ENVIRONMENT
 APPROVED: CI\$ 1,029,312.00
 (30) HEAD 30 - ENVIRONMENTAL HEALTH
 APPROVED: CI\$ 5,293,943.00
 (31) HEAD 31 - MOSQUITO, RESEARCH AND CONTROL UNIT
 APPROVED: CI\$ 2,234,243.00
 (32) HEAD 32 - LANDS AND SURVEY
 APPROVED: CI\$ 4,708,737.00
 (33) HEAD 33 - POSTAL
 APPROVED: CI\$ 2,177,053.00
 (34) HEAD 34 - PUBLIC WORKS DEPARTMENT
 APPROVED: CI\$ 7,478,187.00
 (35) HEAD 35 - DEPARTMENT OF VEHICLE
 AND EQUIPMENT SERVICES
 APPROVED: CI\$ 1,141,693.00

MINISTRY OF EDUCATION, AVIATION AND PLANNING

- (36) HEAD 36 - MINISTRY OF EDUCATION AVIATION
 AND PLANNING
 APPROVED: CI\$ 7,913,935.00
 (37) HEAD 37 - PLANNING
 APPROVED: CI\$ 1,632,288.00
 (38) HEAD 38 - EDUCATION
 APPROVED: CI\$ 22,063,628.00
 NEW SERVICES: CI\$ 3,094,603.00

[Mr. Speaker, as you will recall, the amounts under Capital were all amended.]

CAPITAL

- (39) HEAD 41 - LR - CAPITAL ACQUISITIONS
 AGREED that Head 41 be reduced by \$545,429.
 (Standing Order 65(3)).
 APPROVED: CI\$ 7,002,591.00
 (40) HEAD 42 - LR - CAPITAL ACQUISITIONS
 AGREED that Head 42 be increased by \$545,429
 (Standing Order 65(1)).
 APPROVED: CI\$ 769,762.00
 (41) HEAD 51 - LL - CAPITAL DEVELOPMENT
 AGREED that Head 51 be reduced by \$6,613,971.
 (Standing Order 65(3)).
 APPROVED: CI\$ 11,333,042.00
 (42) HEAD 52 - LL - CAPITAL DEVELOPMENT
 AGREED that Head 52 be increased by \$7,613,971.
 (Standing Order 65(1)).
 APPROVED: CI\$ 23,487,217.00
 (43) HEAD 53 - EL - CAPITAL DEVELOPMENT
 APPROVED: CI\$ 1,500,000.00
 TOTAL APPROVED: CI\$ 235,203,411.00

9. CONSIDERATION OF CLAUSES OF THE BILL

In accordance with the provisions of Standing Order 64(5) Clauses 1 and 2 as amended, the Schedule as amended and the Title of the Appropriation Bill, 1997, were passed.

The Committee agreed that the Bill, as amended, be reported to the House in accordance with Standing Order 64(7) "

The Speaker: The Bill is accordingly set down for Third Reading.

Bills, Third Readings.

THIRD READINGS

THE APPROPRIATION BILL, 1997

Clerk: The Appropriation Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: Mr. Speaker, I beg to move that a Bill entitled, The Appropriation Bill, 1997, be given a third reading and passed.

The Speaker: The question is that a Bill entitled, The Appropriation Bill, 1997, be given a third reading and be passed.

I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. THE APPROPRIATION BILL, 1997, GIVEN A THIRD READING AND PASSED.

The Speaker: The next Bill.

THE TAX CONCESSIONS (AMENDMENT) (UNDERTAKINGS) BILL, 1997

Clerk: The Tax Concessions (Amendment) (Undertakings) Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Development

Hon. George A. McCarthy: Mr. Speaker, I beg to move that a Bill entitled, The Tax Concessions (Amendment) (Undertakings) Bill, 1997, be given a third reading and passed.

The Speaker: The question is that a Bill entitled, The Tax Concessions (Amendment) (Undertakings) Bill, 1997, be given a third reading and be passed.

I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. THE TAX CONCESSIONS (AMENDMENT) (UNDERTAKINGS) BILL, 1997, GIVEN A THIRD READING AND PASSED.

THE GOVERNOR (VESTING OF LANDS) (AMENDMENT) (DISPOSITIONS) BILL, 1997

Clerk: The Governor (Vesting of Lands) (Amendment) (Dispositions) Bill, 1997.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Mr. Speaker, I beg to move that a Bill for a Law to Amend The Governor (Vesting of Lands) Law (Revised) be given a third reading and passed.

The Speaker: The question is that a Bill entitled, The Governor (Vesting of Lands) (Amendment) (Dispositions) Bill, 1997, be given a third reading and be passed.

I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. THE GOVERNOR (VESTING OF LANDS) (AMENDMENT) (DISPOSITIONS) BILL, 1997, GIVEN A THIRD READING AND PASSED.

THE LOAN (CAPITAL PROJECTS) BILL, 1997

Clerk: The Loan (Capital Projects) Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: Mr. Speaker, I beg to move that a Bill entitled, The Loan (Capital Projects) Bill, 1997, be given a third reading and passed.

The Speaker: The question is that a Bill entitled, The Loan (Capital Projects) Bill, 1997, be given a third reading and be passed.

I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: THE LOAN (CAPITAL PROJECTS) BILL, 1997 GIVEN A THIRD READING AND PASSED.

The Speaker: First Readings.

[Addressing the Honourable Second Official Member] It is my understanding that you may wish to withdraw this.

Hon. Richard H. Coles: What I would like to do, with your permission, is defer item number one, The Mutual Legal Assistance (1988 United Nations Convention) Bill, 1997, until Monday. But, if it is possible, it might be helpful if the formality (if I can put it like that) of the first Reading of this Bill took place today. Thereby, if it went through on Monday, it would not be necessary to suspend the Standing Order because it would have had a first reading today, and the remainder on Monday. But, it is not my intention to deal with it until Monday.

The Speaker: We will need a Motion to suspend Standing Orders 46 and 47 in order to proceed, as we do not have sufficient time. The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddin: As I understood it, the Mutual Legal Assistance Bill was to be deferred.

The Speaker: The Honourable Second Official Member has asked that we take the First Reading and defer the Second Reading.

SUSPENSION OF STANDING ORDERS 46 AND 47

Hon. Truman M. Boddin: I appreciate what the Honourable Second Official Member has said, but if he does not mind (because it was really put on here without any communication) it may be better to leave all of these readings until later on.

What I would do then is move the suspension of Standing Orders 46 and 47 for the Traffic (Amendment) Bill, 1997 to move on.

The Speaker: The question is the suspension of Standing Order 46 and 47 in order to take the Traffic (Amendment) Bill, 1997, at this time. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: STANDING ORDERS 46 AND 47 SUSPENDED.

FIRST READINGS

Clerk: The Traffic (Amendment) Bill, 1997.

POINT OF CLARIFICATION

Mrs. Edna M. Moyle: Mr. Speaker, if I may point out... the Honourable Minister moving this Bill is not in the Chamber.

Hon. John B. McLean: Mr. Speaker, perhaps we could suspend for a while until we contact the Honourable Minister piloting this Bill.

The Speaker: Thank you. Proceedings will be suspended for ten minutes.

PROCEEDINGS SUSPENDED AT 3.18 PM

PROCEEDINGS RESUMED AT 4.08 PM

The Speaker: Please be seated.
The Honourable Minister for Education, Aviation and Planning.

MOTION TO AMEND THE ORDER OF BUSINESS ON THE ORDER PAPER Standing Order 14(4)

Hon. Truman M. Boddin: Under Standing Order 14(4) I ask that the Business of the day be re-arranged so that the three readings of the Mutual Legal Assistance (1988 United Nations Convention) Bill, 1997 be placed as the last item on the agenda.

The Speaker: You have heard the motion under Standing Order 14(4). I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. THAT THE MUTUAL LEGAL ASSISTANCE (1988 UNITED NATIONS CONVENTION) BILL, 1997, BE PLACED AS THE LAST ITEM ON THE ORDER PAPER.

The Speaker: First Readings.

FIRST READING

THE TRAFFIC (AMENDMENT) BILL, 1997

Clerk: The Traffic (Amendment) Bill, 1997.

The Speaker: The Bill is deemed to have been read a first time and set down for second reading.
Second Readings.

SECOND READING

THE TRAFFIC (AMENDMENT) BILL, 1997

Clerk: The Traffic (Amendment) Bill, 1997.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

(4.10 PM)

Hon. Thomas C. Jefferson: Thank you, Mr. Speaker.

I beg to move the second reading of a Bill entitled, A Bill for a Law to Amend the Traffic Law, 1991.

This is a short Bill with three amendments. One is as a result of representation from the public to amend the Traffic Law to provide for the payment of licence fees on a quarterly basis. It is presently on an annual basis, so one would have to pay the full amount of the fee. This amendment would allow the fee to be paid on a quarterly basis.

Clause 2 provides that those persons formerly resident in the United States of America, the United Kingdom and Canada and who are the holders of valid licences issued in those countries shall not be required, in order to drive in the Islands after being resident for 3 months, to take a driving test. We have had some more thought on this subject and we believe the best way forward is to put an amendment to that particular section which would basically say, under 27A of the Bill: "**Every person who -**

- (a) **is resident in the Islands for more than three months, except a person who was previously resident in a country specified in an order made by the Governor in Council and who is the holder of a valid driving licence issued in that country; and**
- (b) **is not the holder of a current international driving licence,**

shall, in order to drive a motor vehicle in the Islands, pass the prescribed driving tests for motor vehicles."

I realise that we are moving the power from the Law to Executive Council, but as the Minister responsible, I give Members an undertaking that before this list of countries is actually dealt with by Executive Council, I will

have taken their input. Perhaps that may allay some of the fears.

Clause 3 provides for an amendment to section 41(2) of the Law which sets out the composition of the Board and names the Principal Secretary of the Portfolio of Communications, Works and Agriculture as a member. The amendment to this particular section of the Law is to provide that the Permanent Secretary (or his representative) of the Ministry for the time being responsible for transport shall be a member of the Public Transport Board and that the Governor in Council may appoint four other persons as members of the Board.

Presently section 41 (2) reads: **“The Board shall consist of the Director of Tourism as Chairman, the Commissioner or such other officer of the Royal Cayman Islands Police Force as may be nominated in writing for the purpose by the Commissioner, the Director of the Port Authority, the Director of the Civil Aviation Authority, and the Principal Secretary of the Portfolio of Communications, Works and Agriculture.”**

In essence, the amendment to section 41(2) will increase the number of the members of the Board by four, and basically change the Principal or Permanent Secretary so that whatever Ministry is responsible for the subject will not need to amend the Law for that purpose again.

I recommend these amendments to all Members of this Honourable House.

The Speaker: The question is that a Bill entitled, The Traffic (amendment) Bill, 1997 be given a second reading. The motion is open to debate.

READING OF MESSAGES AND ANNOUNCEMENTS BY THE SPEAKER

APOLOGIES

The Speaker: Before the debate commences I have received apologies for absence for the afternoon Sitting from the Third Elected Member for George Town.

Does anyone wish to debate? *(Pause)*

If not, does the Honourable Minister wish to reply?

Hon. Thomas C. Jefferson: I think it is right and proper to thank Honourable Members for their silent support.

The Speaker: I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. THE TRAFFIC (AMENDMENT) BILL, 1997, GIVEN A SECOND READING.

The Speaker: The House will now go into Committee to discuss the Traffic (Amendment) Bill, 1997.

HOUSE IN COMMITTEE (4.18 PM)

COMMITTEE ON BILLS

THE TRAFFIC (AMENDMENT) BILL, 1997

The Chairman: Please be seated.

The House is in Committee to discuss the Traffic (Amendment) Bill, 1997. The Clerk will read the clauses.

Clerk: Clause 1. Short title.
Clause 2. Repeal of section 14 of the Traffic Law, 1991 and replacement.
Clause 3. Amendment of section 15 of the principal Law.
Clause 4. Amendment of section 24 of the principal Law.

The Chairman: The question is that clauses 1 through 4 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 1 THROUGH 4 PASSED.

Clerk: Clause 5. Insertion of section 27 A.

The Chairman: There is an amendment to clause 5. The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Under Standing Order 52(2) I move the following amendment to the Bill: That section 27 A in clause five be deleted and the following substituted:

“27A Every person who -

- (a) is resident in the Islands for more than three months, except a person who was previously resident in a country specified in an order made by the Governor in Council and who is the holder of a valid driving licence issued in that country; and**
- (b) is not the holder of a current international driving licence,**

shall, in order to drive a motor vehicle in the Islands, pass the prescribed driving tests for motor vehicles.”

The Chairman: I give permission for this to be moved without the requisite two day notice.

The question is that clause 5 be amended.

Mr. John Jefferson, Jr.

Mr. John D. Jefferson, Jr: I wonder if the Minister could say why this amendment was brought? I am aware that if one with a foreign driving licence moves to the United States for any period of time, one is required to at least take the written test. I am wondering why this was brought. Perhaps he can inform me as to what the present system is all about.

The Chairman: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: I think what we are trying to ensure is that persons who drive in our country have a driver's licence issued by a country that we recognise. We have many different people residing in the Cayman Islands, who were under different traffic regulations and customs, we wanted to assure that we are in a position to require them to take a test if we deem it necessary.

The Chairman: Mr. John Jefferson, Jr.

Mr. John D. Jefferson, Jr: Is the Minister saying that this is not the system we presently have in place? If someone comes here on a work permit and they have a valid driver's licence, will they not have to sit a local driving test in order to get a local licence?

The Chairman: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: There is a bit of an overlap here with the visitor's permit, for example, an American visitor, who has a valid driver's licence from his own country can come in and get permission to drive in this country for six months without taking a test. There are other cases where they would have to take a test. What we are trying to say is that there are some countries that we want to recognise where, if the person were here resident for a longer period of time, there would not be any need to take a test. This does not deal with the average visitor because he would come in, present his driver's licence and the rental car firm would give him a permit to drive.

The Chairman: Is there any further debate?

The question is that the amendment to clause 5 stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AMENDMENT PASSED.

The Chairman: The question is that clause 5, as amended, do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 5 AS AMENDED PASSED.

Clerk: Clause 6. Amendment of section 41 (2) of the principal Law.

The Chairman: The question is that clause 6 do stand part of the Bill.

Mr. John Jefferson, Jr.

Mr. John D. Jefferson, Jr: I just have a suggestion. It calls for four additional members to be added to the Public Transport Board. I think it would make sense if one of those additional members were chosen from the industry itself, the transportation industry. I recommend that some consideration be given to that.

The Chairman: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: The answer to Mr. John Jefferson, is that Executive Council has given permission some time ago for the co-opting of additional members to the Public Transportation Board. It is my intention to formally recommend to Government that we place at least one representative on the Public Transportation Board. It is one of those situations where sometimes this person may have to excuse himself from the meeting because of the sensitivity of some of the discussions going on. I think they would have to be told that from the beginning.

Mr. John D. Jefferson, Jr: The only reason I suggested that, and I was glad to hear that the Board has the authority to co-opt members, is that when an application comes before the Board for a licence, it is good to have someone there who knows the persons involved and can give some insight on a personal basis, as to the character, etcetera.

The Chairman: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: I was going to leave that as a comment.

The Chairman: Dr. Frank McField.

Dr. Frank McField: I was hoping, in regard to the comment made by Mr. John Jefferson, that we do not get too personal with regard to the character of certain people. I think that is one of the things in this country that seriously hampers things from being done objectively. We sometime rely too heavily on people's opinions of other people.

The Chairman: Mr. John Jefferson, Jr.

Mr. John D. Jefferson, Jr: I would like to respond to that. When I talk about having somebody there who knows the person involved, it is because there are some

members of the transportation industry who should not be there because of misconduct. If a Board member does not have the individual's background information, then the Board may continue to issue that person a licence when they should not, in fact, be holding such a licence.

The Chairman: If there is no further debate, I shall put the question that clause 6 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 6 PASSED.

Clerk: A Bill for a Law to Amend the Traffic Law, 1991.

The Chairman: The question is that the Title do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

TITLE PASSED.

The Chairman: That concludes proceedings in Committee.

HOUSE RESUMED AT 4.28 PM

The Speaker: Please be seated.

The House has resumed. Reports. The Honourable Minister for Tourism, Commerce and Transport.

REPORT ON BILL

THE TRAFFIC (AMENDMENT) BILL, 1997

Hon. Thomas C. Jefferson: Mr. Speaker, I have to report that a Bill entitled, A Bill for a Law to Amend the Traffic Law, 1991, was considered by a Committee of the whole House and passed with one amendment.

The Speaker: The Bill is set down for third reading.

Third Readings. The Honourable Minister for Tourism, Commerce and Transport

THIRD READING

THE TRAFFIC (AMENDMENT) BILL, 1997

Clerk: The Traffic (Amendment) Bill, 1997.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Mr. Speaker, I beg to move that a Bill entitled, A Bill for a Law to Amend the Traffic Law, 1991, be given a third reading and passed.

The Speaker: The question is that a Bill entitled, A Bill for a Law to Amend the Traffic Law, 1991, be given a third reading and passed. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

**AGREED. THE TRAFFIC (AMENDMENT) BILL, 1997,
GIVEN A THIRD READING AND PASSED.**

MOMENT OF INTERRUPTION - 4.30 PM Standing Order 10(2)

The Speaker: It is now 4.30. I will entertain a motion for the adjournment.

ADJOURNMENT

Hon. Truman M. Bodden: Mr. Speaker, I move the adjournment of this Honourable House until 10 o'clock Monday morning.

The Speaker: The question is that the House do now adjourn until Monday morning at 10 o'clock. I shall put the question. Those in favour please say Aye... Those against No.

AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned.

AT 4.30 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM MONDAY, 21ST APRIL, 1997.

**EDITED
MONDAY
21ST APRIL, 1997
10.15 AM**

The Speaker: I will ask the Second Elected Member for Bodden Town to say prayers.

PRAYERS

Miss Heather D. 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed. Presentation of Papers and Reports. Public Service Pensions Board Annual Trustee Report for the years ended 31st December, 1994 and 1995.

The Honourable Third Official Member responsible for Finance and Development.

**PRESENTATION OF
PAPERS AND REPORTS**

**PUBLIC SERVICE PENSIONS BOARD ANNUAL
TRUSTEE REPORT FOR THE YEARS ENDED 31ST
DECEMBER, 1994 AND 1995**

Hon. George A. McCarthy: I beg to lay upon the Table of this Honourable House, Public Service Pensions Board Annual Trustee Report for the years ended 31st December, 1994 and 1995.

The Speaker: So ordered.

The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: The Public Service Pensions Board 1994 and 1995 Annual Trustee Reports are being laid on the Table of the Legislative Assembly in accordance with section 7(6) of the Pensions Law, 1995.

The fund balance as at the 31st December, 1995 stood at \$16,735,273 inclusive of accrued interest. In 1994 and 1995 a total of \$7,399,333 in employer/employee contributions were paid over to the fund while investment income amounted to \$1,587,426. Administration expenses continued to be borne by central Government. There are no payments of benefits and refunds to participants of the fund, as the fund has not yet been qualified by the actuaries as self-sustaining.

The contingent liability for Public Service Pensions of \$65,001,000, as set out in the 1994/1995 Report, reflects the actuarial valuation as at 1st January, 1993. However, the recent actuarial valuation as at the 1st of January, 1996 (to be laid on the Table of the Legislative Assembly later this year), will disclose an updated contingent liability figure.

The formation of an investment policy was carried out in 1995, and 50% of the fund has since been placed with Scotia Investment Management Ltd, of Toronto, Canada, with the remaining portion invested in term deposits locally. In order for the fund to achieve a more satisfactory rate of return, the scope of approved investments as set out in the current legislation will have to be broadened. The amending Bill will be submitted to the Legislative Assembly at the June Meeting this year.

With effect from January 1996, Governmental Statutory Authorities contributions increased to 6% with employees' contributions remaining at 4%. During 1996 the Pensions Board contracted Watson Wyatt and Company to carry out the periodic actuarial review of the fund as well as other consulting services required by the Pensions Law Review Committee. The necessary revision to the existing legislation is well on its way and will be submitted to the Legislative Assembly at its September Meeting.

The fund as at 31st December, 1996, stood at \$22.1 million, inclusive of accrued interest. The reports for 1994/1995 are hereby submitted.

The Speaker: Questions to Honourable Members and Ministers. Deferred Question No. 14, standing in the name of the Fourth Elected Member for West Bay.

QUESTIONS TO HONOURABLE MEMBERS/MINISTERS

DEFERRED QUESTION NO. 14 (Deferred on the 3rd April, 1997)

No. 14: Mr. D. Dalmain Ebanks asked the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation when the West Bay Clinic will be opened.

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: The West Bay District Health Centre will be opened and operational in early June 1997.

SUPPLEMENTARY

The Speaker: The Fourth Elected Member for West Bay.

Mr. D. Dalmain Ebanks: Can the Honourable Minister state whether this was the scheduled time for the opening of the clinic?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: This was the approximate time we had established.

The Speaker: If there are no further supplementaries, the next question is deferred question No. 38 standing in the name of the Third Elected Member for George Town.

DEFERRED QUESTION NO. 38 (Deferred on the 21st March, 1997)

No. 38: Mr. Linford A. Pierson asked the Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture what plans, if any, are in place for the Water Authority or any other entity, to provide a public potable water supply to the district of East End.

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: In December 1995, the Water Authority prepared a document entitled "A Ten Year Development Plan for Water and Sewerage Works" which lays out a framework for completing a number of projects over the next ten years, including a public water supply system in the district of East End. It is anticipated that East End will be provided with water as part of a continued expansion eastward of the piped water system over the next four years using local resources. At present, the

Authority is completing a piped water extension up to the Frank Sound Road junction.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I wonder if the Honourable Minister is in a position to give a closer indication of the time frame, rather than just saying "over the next four years"?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: It would probably take us another year and one half to get to the East End District, continuing from the present extension at the junction of Frank Sound Road.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I note that in the answer that at present the authority is completing a piped water extension up to the Frank Sound Road junction. Can the Honourable Minister state if this will be continued into North Side?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: It depend upon where we decide to go first. I should say that while we do not have any proposals from the public for East End, we do have some indication that private enterprise would go into North Side. We have not decided about North Side as yet.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister state if the future plans for the Water Authority include plans to improve the services on Cayman Brac, in particular?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: We have had many calls from Cayman Brac, including the present representatives, in regard to the water system there. We looked at one system which would have meant using tanks for homes, but that was not feasible, nor would it be accepted by the public. I favour extending the pipe line and I asked the Board to have this done. We proceeded to have an evaluation, that should be presented at the next Board

meeting, looking at a phased extension right from where we are now straight up to the end of the island at Spott Bay.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Since mention was made of Cayman Brac, I wonder if the Honourable Minister is in a position to state if any plans are being made for a public water supply in Little Cayman?

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: I can tell the Member that I had given some concessions to private enterprise and they seem to be doing a fairly good job. From our evaluation process (and we have not heard anything different from the representatives) it seems to be fair to say that private enterprise has taken care of the system there. We are monitoring, as is usual under the Law, but they seem to be doing a fair job.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I just wanted to say that I concur with the Honourable Minister that the water quality in Little Cayman is exceptionally good. There seems to be a pretty good system in place there now.

The Speaker: If there are no further supplementaries, the next question is deferred question No. 54 standing in the name of the Third Elected Member for Bodden Town.

DEFERRED QUESTION NO. 54
(Deferred on the 18th April, 1997)

No. 54: Mr. Roy Bodden asked the Honourable Minister for Education, Aviation and Planning when the National Education Curriculum will come into effect.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The National Curriculum as stipulated in the National Education Plan will be done in stages. To date, a philosophy guiding the National Curriculum has been developed and a National Curriculum Advisory Committee has been established. Work has also commenced on the core subjects of mathematics and science. It is envisaged that by the year 2000, all stages of the curriculum would have been completed.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister tell the House if the National Curriculum will apply to all schools in the Cayman Islands?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: It will apply to the Government schools. We would hope that the private schools would look at following areas of it that they feel could be followed. We would naturally encourage them to do so.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister state if there are any pupils within the Government system to whom the National Curriculum will not apply?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: It would apply to all students, unless the Member may be referring to students who may be in the Lighthouse School or the Sunrise School, who would be older students. It would be of general application unless there is a specific area the Member is referring to that I may have missed.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister state if it will be necessary to bring in any expertise to help in the development of this project, or is it conceived to be an internal exercise?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: We would expect that our own teachers and the committees would deal with the vast majority of this. It may be that in some specific areas it may be necessary to bring in some people. If that is the case, it would be for a very short period. Perhaps except to get a second look or an external opinion in certain areas of it, the vast majority would be done locally.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister state whether at its inception the curriculum will be phased in as a pilot project in one or two schools, or will all schools begin the project simultaneously?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The phasing will actually be done in four main key stages. Each key stage will apply to all students in all Government schools. Key Stage 1 will cover the school years 1-3, pupils aged 4 years 9 months, to 7 years 9 months. Key stage 2 will be years 4-6, pupils aged 4 years 9 months to 11 years 9 months. Key stage 3 will cover years 7-9, pupils aged 11 years 9 months to 14 years 9 months. Key stage 4, years 10-12, pupils aged 14 years 9 months, to 17 years 9 months.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister state if at any point in time consideration might be given to the Kindergarten year? The question is asked with full knowledge of why it does not exist today, but with this new curriculum, will any consideration be given to that?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The Kindergarten, pre-school or reception class, as Government refers to them, has already been developed. It has been adopted by about 25 or 26 of the registered pre-schools. It only recently went into place, but it is fully in place and will be developed.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: At this point in time it is fair comment to say that Government is satisfied that the public school system does not have to revert back to having that year?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I was dealing with the curriculum. Is the Member suggesting that Government should take over and go full scale back into pre-schools and reception classes? Is that the question?

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Certainly not. I was not making a suggestion, I was simply asking the question and inviting the comment. If Government is satisfied that is fine. I know the answer to the other supplementary was that the curriculum is developed for the private pre-schools. I am simply asking if Government is satisfied with that situation as it now prevails, or if there were any other thoughts about it. I am not making any suggestions at all.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: At present, Government is working with the private pre-schools to assist them to assure that they develop fully. That is the reason why we have assisted in getting a curriculum in place. I would like to point out that this was participated in fully by the pre-schools. It was not something that Government produced and gave to the pre-schools. Education is always under review. We are satisfied that with the supplementary funding we are doing that the pre-schools (and some Government schools) are doing well. All I can say is that we will continue to monitor the situation because the aim is that the pupils get the best pre-schooling available. If they do not, it affects the intake in year one of all primary schools in the islands.

The Speaker: If there are no further supplementaries, that will conclude Question Time for this morning.

Motions. Government Motion No. 1, The Immigration Law, 1992, The Local Companies (Control) Law (1996 Revision). The Honourable First Official Member.

GOVERNMENT BUSINESS

MOTIONS

GOVERNMENT MOTION NO. 1/97

The Immigration Law, 1992

-and-

The Local Companies (Control) Law (1996 Revision)

(10.43 AM)

Hon. James M. Ryan: I beg to move Government Motion No. 1/97, which reads:

“WHEREAS there is considerable inter-relationship between the Immigration Law, 1992, the Local Companies (Control) Law (1995 Revision) and the Trade and Business (Licensing) Law (1996 Revision);

“AND WHEREAS there has been considerable passage of time since these Laws were enacted or substantially amended;

“AND WHEREAS a Select Committee entitled ‘Select Committee (of Elected Members) Control of Local Businesses’ made certain recommendations in its final Report to this Honourable House;

“BE IT NOW THEREFORE RESOLVED THAT the Immigration Law, 1992, the Local Companies (Control) Law (1995 Revision) and the Trade and Business (Licensing) Law (1996 Revision) be referred to a Select Committee of the whole House, without prejudice to the final Report of the Select Committee (of Elected Members) Control of Local Businesses, for review to formulate principles in accordance with which specific amendments to these and any other relevant

laws may be drafted and brought to this Honourable House by the Honourable First Official Member;

“AND BE IT NOW THEREFORE RESOLVED THAT, in considering the matter, the Select Committee seek input from the public.”

The Speaker: Government Motion No. 1/97 has been duly moved, and is open for debate. The Honourable First Official Member.

Hon. James M. Ryan: These three Laws, the Immigration Law, the Local Companies (Control) Law and the Trade and Business (Licensing) Law, have been interrelated primarily because the Immigration Board performs the functions and these Laws have been on the statute books for some time. The Immigration Law has been in effect for five years, and with the passage of time and changing circumstances, it is timely that we do a review.

Earlier in this Meeting, amendments were made to the Local Companies (Control) Law and the Trade and Business (Licensing) Law to allow for the appointment of a Trade and Business (Licensing) Board, but that is only one issue which needed to be addressed. As Members will recall, a Select Committee of selected Members previously made a report to this Honourable House. In that report there were a number of recommendations to be followed through on. Additionally, there have been calls from individuals and Elected Members and a number of groups asking that particularly the Immigration Law be revisited and brought in line with the times.

I think it is therefore timely that these three Laws be looked at by a Select Committee of the whole House. In doing so, members of the public will be invited to give their input, and issues which have been raised, particularly around the General Election last year, can be put forward and considered. If it is the wish of the Select Committee, the necessary amendments can be made to these Laws.

I recommend the appointment of this Select Committee to deal with these Laws.

The Speaker: Does any Member wish to speak? The Third Elected Member for Bodden Town

(10.48 AM)

Mr. Roy Bodden: Thank you, Mr. Speaker.

There is no denying that the Cayman Islands is a growing and dynamic society. There is also no denying that we continue to be challenged by the problem of immigration and the corollaries which closely follow, that is, the growth of businesses and the issuing of local companies licences. Notwithstanding what I mentioned about the challenges, it is my contention that we will never be able to address these problems successfully if we do not marry the philosophical foundations and premises into the laws which we have developed.

I very vividly recall that during the years 1989 -1992 the Select Committee on these same laws held about 28

meetings and formulated a very comprehensive, well thought out, and (to my mind) practical report. However, a new Government came on line. That political directorate did not deem all of the recommendations acceptable. These same laws had been dealt with in the same way prior to that in 1984.

This reminds me of the Greek Myth in which Sisyphus had angered the gods and was subjected to rolling a stone up a hill. Every time he got it to a certain point up the hill, he would automatically lose control and have to begin all over again. Don't tell me that we, on the eve of the 21st Century, are creating a Sisyphaen Myth in this Legislative Assembly by having to review these laws every five years, while lacking the political will to integrate the philosophical foundations into the law. We can review it every five years. We can review it every five months. If we do not face up to certain realities, our reviews will be to no avail.

I have to add a word of caution about this Select Committee business. Every Honourable Member of this House knows the problems we are going to be faced with—getting a quorum, drawing the matters out, scheduling of witnesses. I warn, sir, that we will be at this exercise for another four years. What happens if there is a change of Government with a different political will when we present our report? Then we will be faced with the same situation.

I believe that the problem can best be addressed, not by a Select Committee of a four year tenure, but by someone grasping the political will to marry the philosophical foundations into the law. Let me put it another way: By a political directorate finding the political will to say 'Here is what we are going to do with regard to those people who are eligible to be assimilated into our society. These are the ground rules we are setting to effect that assimilation or acculturation, and here is the cut-off point...' and from that derive proper foundations for a Local Companies Control Law and Trade and Business Licences.

If it is the will of the House, I will do my time in a Select Committee. That is my responsibility to my constituents and the wider public. But I contend that it is a glorified waste of time—time that could be better spent doing other things. In the meantime we have the fifth and final report of the Select Committee of the Whole House on Immigration Legislation which was tabled in 1992. What we should do is revisit those recommendations which are just barely five years old, and see if we have to modify or amend them and attack the problem from that perspective.

Given the prevailing situation, I cannot easily find it within me to agree with setting up this Honourable House for another four years of work on a Select Committee with all of its ensuing trials and tribulations. Part of me almost wants to extend public sympathy to the Clerk of that Select Committee.

We have many models that we can use as a base to adopt for our National Immigration Policy. There is no need to reinvent the wheel, and I will await the justification for this Select Committee process.

Thank you.

The Speaker: The Fourth Elected Member for George Town.

(11.56 AM)

Dr. Frank McField: I rise to make some brief comments on Government Motion No. 1/97 seeking to establish a Select Committee of the whole House to review the Immigration Law, 1992, the Local Companies (Control) Law (1995 Revision) and the Trade and Business (Licensing) Law (1996 Revision).

I, too, have seized the time to re-visit the Final Report of the Select Committee of the whole House on Immigration Legislation, which was in session between 1989 and 1992. I have also had the opportunity to read from the *Hansard* the debate with regard to the Establishment of this Select Committee. The debate took place on Wednesday, 23rd February, 1989. It is important that I mention that the Immigration Law, 1992 (which was the result of this Select Committee's recommendations) is a fairly thorough document, and it has its administrative advantages. Perhaps we do need to look again at the recommendations made by this Select Committee, established between February 1989 and a few months before the General Election in 1992 which changed the Government and perhaps changed the perspective on Immigration.

I feel Members at that time were aware that there was a need to have a philosophical approach to the question of immigration and immigration control. When we revisit their report, we see that the Select Committee became preoccupied with administrative matters rather than with philosophical clarity.

I believe that it is important, when the Honourable First Official Member brings the Motion, that he brings back some justification for this type of labour again. As the Third Elected Member for Bodden Town said, it will amount to a lot of hours in Committee sessions. Since he was one of the Members of that Committee, I guess he should be the ideal person to state what type of time it will demand, not just of Elected Members, but also Ministers and Members of Government. We cannot just necessarily go into a revision, or an attempt to give the public the idea that the Government is serious about the question of immigration and Company (Control) Laws by taking it to a Select Committee, when we know that it would be very difficult to improve on the administrative qualities of the 1992 Immigration Law (Revised).

I take my hat off to the Members of that Committee; I take my hat off to the former Member, Mr. Benson O. Ebanks, who was one of the original founders of the Caymanian Protection Law. He contributed immensely to the development of an administrative document which has helped us to be able to manage the question of the granting of work permits in this country more fairly and speedily. But the philosophical, moral and spiritual erosion of our society continues as a result of not having answered the basic philosophical questions.

I will not say that these questions were postponed because the previous Government did not get elected in 1992, and because the National Team Government took over in 1992. I am not going to say that the lack of philosophical will was the result of political expediency. I think that the question of immigration in this country is not only a question about material being, it is also a question about spiritual being. It is also a moral question. The question of immigration in this country is a question related to the moral being of the society.

Therefore, although we might have succeeded in giving administrative strength and clarity to our Immigration Officers and Board, we continue to weaken the moral position of our people when asked to defend the moratorium on granting Caymanian status to people who have invested their vitality and life in this country over a long period of time. The question is not an easy one. The answer cannot be found in any political period or any political body. The answer must be sought when we ask ourselves if we would like to be in that position. Would we like to be in a country where we had worked for 15 or 20 years, then when we could no longer labour be sent back to the same impoverished conditions we sought to escape during the period of our youth?

Discussing this, I remember that even during the colonial period when Africans labourers were brought to America, the Americans did not import them back to Africa during the period they abolished slavery. They did not inherit equal rights to the Caucasian Americans, but they were allowed to remain in that country, to build families and seek happiness for themselves up until today, when we can speak of the development of equality in that country. So, although they did not have solutions to the moral dilemma they were in, time allowed them to eventually walk the road of freedom that would cause them to find dignified solutions. The dignity of that country was at stake in how it dealt with the question of slavery, the abolition of it, and what to do with them after they finished working them in a prescribed manner.

The dignity of this country is also at stake in terms of how we deal with those people who have worked among us for the last 15 or 20 years. It is not just 'them' we are talking about, we are talking about 'us'. Believe it nor not, our humanity is tied up in our relationships with other people, and not just with ourselves.

I think it is important to understand that the Indians who were brought into the Caribbean from East India after the abolition of slavery—into Trinidad, into Guyana, into St. Lucia, into Jamaica—remained there. We saw that the Chinaman brought to the United States to work on the railroads remained there. We saw how in Hawaii, the Japanese people who were brought there, remained there. So, every country has always had the *impression* that it could exploit labour—attract it and exploit it within its geographical territory, and at the end of that exploitation rid itself of that labour—but it is never historically true.

Therefore, it would be wise to plan as if the more labourers we bring in, the more fire it will fuel for the engines and the stronger the engines will be able to work;

and at the end of the day the engine will demand more workers. So the question of importing labour does not, in itself, create a solution; all it does it put us in the position where we need more and more labour, because growth is the human reality—either you go forward, or you go backward, it is your choice. If you need 5,000 people today, you know that in ten years you will need more.

As I said before, if we are going to take this Bill into Committee it is important that we put out our feelers, that we invite the public, not just to come and say (as they did before) that they have problems getting domestic helpers, etcetera, because that is an administrative question of how labour is manipulated, directed, controlled or disciplined. It does not have to do with the essential question that parliament has to deal with—which is the philosophical foundation of the nation. When we violate our own sacredness and goodness for the sake of improving ourselves, we destroy ourselves; we open ourselves up for a moral assault and put ourselves in a position where it is very hard to justify even those laws that we need for our survival.

So, a law has to have its foundation in morality. If it has no foundation in morality it cannot live long as the law. Our Immigration Law, our concept of nationality, must have a foundation in morality. I keep saying that we do not have to go far to find the foundations for morality. All we have to do is pick up our Bibles and we will find the foundation for morality. It is the same foundation they used in the 17th and 18th Century during the French and American Revolutions and all the revolutions that freed people from the position of being owned to the position of owning.

I am saying that the concept of nationality, as we understand it today, comes from the concept of owning rather than being owned. The serf was owned by the feudal lord, therefore his nationality was that he belonged to the lord. But the citizen owns the country. That is the difference—we changed the position of ownership. The reason why we changed the position of ownership is because “all men are created equal” and are endowed by the Creator with certain rights. The common ‘sense’ principle—if we are all given five senses, that somehow makes us equal to start with. Therefore, when we come to the concept of trying to decide who should belong, it is a very subjective question.

It was very easy for my forefathers in the jungles of Nigeria to decide, because it was a matter of what tribe a person came from. The whole system of who would be a member of that tribe had to do with a whole linkage of families and tribal relationships.

For those of us who have been exported, or imported, who find ourselves in a new civilisation where it is not easy to go back to blood or tribal roots, where we have to make decisions about who belongs and who we want to be with, we have to find a new basis for that kind of relationship. A lot of us have found in the whole concept that we are all equal before God, we are all brothers of one covenant. So, tribalism, racialism and nationalism are weaknesses that we, in the Cayman Islands, do not

have to be subjected to since we were freed, thank God, from those types of weaknesses long ago.

As I said before, unless we are willing to look clearly at the philosophical implications of laws—in particular the philosophical implication of using a person’s labour (the only thing that person has) for 15 or 20 years and then kicking them out afterwards—we should not be going back to a Select Committee at all because it is nonsense and a waste of time. At the same time we are talking about the fear the indigenous Caymanian people have that they will lose control of their country. We are talking also about the indigenous Caymanian people being fearful that moral degradation will happen as a result of the large influx of foreign workers into this country; and by those people achieving the same rights and privileges that they have. This is fear. We must understand fear, but we cannot be ruled by fear. We must be ruled by reason—not intelligence, because that tends to manipulate—the reason that Almighty God gave us to assume that we can all be alike if we put our hands and hearts to the same commandments and principles.

Therefore, what we look forward to in terms of bringing a nation together is not the colour or the nationality, but the ability of the individual to become one in the sense of one covenant; to agree upon certain principles in which to conduct his life. Therefore, philosophically, the creation of the concept of the nation is necessary if we are going to create Immigration Laws. We have to know who and what we are, and we have to know at this particular point that we can bring other people into our fold.

The reason I am going on about this (even though I know it will probably end up in the Committee) is because I want the public to think about what I say so that they can begin to approach me and other Members of this Honourable House in regard to what they feel is necessary, especially the people who I know are praying for some kind of solution; the people who go to their churches knowing that they are protecting their families—but our Immigration Laws continue to prevent families from being together because they are not of our nationality.

We need labour. We feel that we have a right to it—we feel we have a right to Honduran labour, to Jamaican labour, Panamanian labour, Filipino labour—but we do not feel that we should have the social obligations which usually come with labour. The social obligation is to support those families and to [view] the family unit as it is [viewed] in the eyes of God—a most holy institution. We must not devalue the position of the family simply because of the economics involved. I know that it is hard to forget about the economics and to think about the spiritual or human factor, but we must understand that after 20 or 30 years of dealing with and using imported labour, and seeing the prosperity we have reached, and knowing that it will continue—we know that we will not solve the problem of having to import labour within the next 30 years. It is something that will be with us.

What I am saying is that a bold decision has to be made, and it has to be made on spiritual grounds, because you cannot come back on any other ground and

be able to say that you knew it was right. Regardless of what anyone says, you will be able to say, "I did what I felt my conscience commanded me to do. The man who has worked next to me for the last 15 years is a human being, a citizen, a brother, and I accept him into my fold and give him all the rights and privileges that I have, without being paranoid that he will take these things from me." That has to be done in this country. It cannot be done by any Select Committee—it has to be done by the people of these Islands. It has to be done by the preachers in the churches who also come from elsewhere; but we still respect them enough to believe that what they are imparting to us is truth. It has to be done by the Governor who comes from elsewhere, but we still respect him enough to know that what he is doing is right.

We have an Attorney General who is from someplace else, but we trust him enough to have him sit in this Honourable House. We have the politicians who are elected every four years. But what about the big administration in this country? What about the administration that is controlled and directed by the Governor? What are we trying to say? Are we trying to say that somehow we are going to preserve the Sovereignty of the Caymanian people by not being more liberal with our approach to the question of immigration? when the Caymanian nation (as it is today) is a result of the interplay between many different types of people sharing power between the administrative and legislative branch? We as politicians cannot tell them who to hire as Head of Personnel. If we are saying that what we are doing with regard to our Immigration Law is because we do not want to give people the political power or the vote, then we must understand that the vote that that person must exercise every four years accomplishes very little in this system.

As the Fourth Elected Member for George Town, I can only use reason and persuasion to get something done, because I am still dependant upon the Administrative and Judicial Branches to complete the whole process. So we are not going to erode the rights, privileges and powers of the Caymanian by having a more liberal approach to the question of status. I think that is connected to the question of our manliness (or womanliness) and our being. If we are so paranoid about other people being among us, we have to just look around and see what it is that we own today.

We say that a foreigner can buy land in the Cayman Islands. Without having a partner, he can come here and buy all the land he wants. But why is the land not important when a political vote is? Which can give me more at the end of the day—owning a piece of land, or owning the vote? I say, give me the land rather than the vote! These are the types of contradictions that we need to tend to.

So, I said that administratively there was a good report, there is a good law. It needs amendment and fine tuning, but it needs to somehow come alive be injected with human qualities and compassion.

If we could bring someone in here on a work permit for two years, and then after two years when we were finished with that person, pay them off and send them back to their country and never hear from them again,

that would be fine. But we would be in a machine world—a George Orwell world—not in the world where people build relationships with one another. So we cannot expect to treat human beings like machines. I am not saying that the Jamaican or the Honduran or Filipino or the Englishman are the ones who are losing—we are losing. When we have to cut off our humanity, we are losing also. When we say to someone, "Well, yes, you have been here all of these years, and we know that your children went to our schools and played with our children—but they are not like our children..."

I know about a man who has been here for 27 years. He has two daughters, both born here. One has status and one does not. I am not yet familiar enough with the law to know why, but maybe she got caught between changes in the political arena. He's a grandfather because one of the daughters now has a child. Now he is asking his grandson, who has status, if he can take out a work permit for him; maybe they could start a lawn-mowing business. He has been here all these years and produced all of those things—including the grandchild—and he has no rights and no privileges. This is where we find the contradiction. We find that stupid, arrogant people, full of hate, distrust and fear, pay no mind to those types of things.

But do you know what eventually happens? You have to answer to your children. They will ask one day, "Why is that one treated one way, and we are treated another way?" Why? Because they are non-Caymanians and we are Caymanians. That might not be relevant to children who learn to grow together because they went to the same schools. They learned to trust one another. Those divisions are not relevant to them—they are only relevant to us who feel that we have a legitimate basis for fear. We fear that other people will come into our country and take over. I am saying that this is a partnership. We accepted that it was a partnership and now we must accept the social and political consequences of that partnership.

If I never do anything else in this country, I will agitate because I feel that I am big enough, man enough and strong enough to say, "If you are my brother, you are welcome." We have to have the sincerity of our convictions to get this Law changed—not just reviewed. We can all go through it again, just as Mr. Benson, Mr. Truman, and Mr. Linford did; but will we find the discrepancies if we are only looking from one side of the fence? We are more than just Caymanians, we are Legislators—we are builders of a nation. We have to see more than one side, we have to see more than one angle. We cannot just see fear, we have to see prosperity as well. We know that our prosperity has been built upon a partnership between us and others. I think it is important that we accept the social and political consequences of this.

All I have said is that I am being instructed by this great Caymanian humanity. But I will say to those who wonder: I come from Mary Street. My grandfather had four daughters. Not one of them married a Caymanian. This was back in the 1930s and 1940s when people came in from Belize and Jamaica, and they were going to

Cuba. I had three aunts in Cuba and the two that were here have forgotten about the fact that they were married to a Belizean and a Jamaican. Their children will probably never tell you today that their name, Barnes, is a Jamaican name because it is not relevant. But the integration and the assimilation and the forgetting of these divisions happened so fast in this society that we are very gifted and very lucky.

My mother was born in the Isle of Pines in Cuba. Her mother was Alidia Dixon from East End and her father was a Jamaican immigrant. What were they doing in Cuba? They were seeking a better life for themselves. All I am saying is that I had one parent who was a Caymanian, and one that is a Cuban. Does that make me any less of a Caymanian? Does that make me less able to see what it is to be a Caymanian, which is to have a greater sense of compassion and humanity for my fellowman? It does not. So that could be the measurement. We could say that the person with one parent who is a Caymanian is entitled to Caymanian status. He might be the rogue of the world, he may be the most rotten person in the world, but he is entitled to it.

Nationalism is not very different from class-ism or race-ism because it makes assumptions based on biological characteristics that have nothing to do with sociological reality. I would like us to look at the child, in particular, whom we have raised ourselves here. The children who came from Jamaica when they were three or four years old (and we took them into our primary schools through secondary education here and got them to jump and run for us and kick football for us, and do all those things for us) are very much like us, and the only reason they can't say they are "Caymanian" is because they are afraid that if they do we will laugh at them and say, "You're no Caymanian, you're a Jamaican, you're a 'pan-head!'" (*Laughter*)

They would embrace this nationality with a passion. We need people to embrace it with that type of passion. We need to see that we do not put this Immigration Law into Committee for the next four years. We need to see that we need a solution today to a lot of the problems—especially those persons who are now 19 and 21 years of age looking to start a family and they do not know whether or not they can stay in this country. They are a creation of the Cayman Islands, a product of our environment.

Before I even think about giving status to people who have been here for 15 years, I would give them status first, because they need to get on about their lives. We need to stop procrastinating and realise that real people are out there not just statistics. We cannot afford to go back to this type of deliberation about the fate of this country.

What happened to Rome was, in fact, divisions. Although you may be very comfortable because you have rights and privileges today, and the other person may be uncomfortable because he has none, you cannot be sure that it might not be the exact reason why you lose everything. When he has nothing to protect in this country because you treat him like an outcast, he will assist in the

moral destruction and economic sabotage of your country. But when you give him the benefit of the doubt and you bring him into your armed forces, your productive and economic forces you are making a lot of sense.

A lot of people will say we do not have the space, this is a small country. This is not a small country. All you have to do is try to get through some of those swamps, some of that logwood. From the point of view of its economic potential, it has unlimited economic potential because just like Venice, in the days of Marco Polo, Cayman will be in the 21st Century. It will be a new Venice, a new Jerusalem—and we need people for that. We need to bring them together and create those bonds.

Even in the most primitive of organisations we find that there are certain kinds of rituals that you have to go through to bring people closer together. Anyone who has been in any organisation knows that. Yet, we can only see work as a way of getting people bonded to our society. We need to give people the confidence to feel that they belong. We need to do something about our fears. If we do not implement a belief system and show the world what it is we believe in, we are going to get into a lot of trouble.

I believe that I am doing this because I want to set people to thinking. I know that it will be on the radio this evening and I know that it is prime time, and I know what I want people to say is that this is my position. I know that there will be people upset, but I want them to come to me as honest, good-hearted, Christian people and tell me why I should continue to perpetuate and defend a system that does not defend humanity and Godliness. Why should I worship the economic success and fail to worship God and His principles? Because I need to exist materially? Not me! What I need to do to exist is to have faith. To have faith you have to be righteous. To be righteous you have to be good. To be good you have to look upon your brother like you look upon yourself.

If I have failed to adhere to my duties as a patriot, all I can say is that it is very difficult to worship the nation and God at the same time. Perhaps that is my problem. But, as I said, we somehow feel that we can have a solution to the lack of philosophical impetus in our Immigration Legislation. We feel that we can do that without harming the indigenous people of these islands.

We know that a lot of people have married and will marry foreigners in this country. They say, "He who feels it knows it." People come to me all the time saying, "Dr. McField, Immigration says my child can't stay here." All of a sudden the Immigration Laws are oppressive to the average person too. There are too many contradictions because the Law is too much about economic pragmatism, economic manipulation and not about human living. We have to make laws that can allow people to live again and not just think about profit and what we are going to get out of it. We also have obligations. We have commitments to our principles as Christians, being a Christian nation with a Christian tradition. At the same time we cannot trust? We do not have faith? We do not feel that we can single out those who are good among us?

The Speaker: Honourable Member, may I just ask if you will be finishing shortly, or shall we take the morning break?

Dr. Frank McField: I will be finishing shortly.

The Speaker: Please continue.

Dr. Frank McField: I would like to thank the Honourable First Official Member for bringing this Motion. I just hope and pray that this Motion is being genuinely brought to this House because the people are affected and afflicted by this lack of humanity in our laws. I hope that we are going to deal with the philosophical issues (or spiritual issues, as some of the Christian people would say—those who do not want to accept the fact that Christianity has anything to do with the state will say ‘philosophical’) that we need to. Laws are about the spiritual welfare of a country as much as the material welfare of the country.

Thank you, Mr. Speaker.

READING OF MESSAGES AND ANNOUNCEMENTS BY THE SPEAKER

The Speaker: We are honoured this morning to have in our VIP Gallery, our former Governor, His Excellency Mr. G. Peter Lloyd, CVO, CBE, a gentleman greatly loved by the people in all three islands. We are very honoured to have you with us today.

Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 11.40 AM

PROCEEDINGS RESUMED AT 12.18 PM

The Speaker: Please be seated.

Debate continues on Government Motion No. 1/97. The Honourable Minister for Community Development Sports, Women’s Affairs, Youth and Culture.

Hon. W. McKeever Bush: I am in support of putting these Laws into Select Committee. There is a need to put them into Committee.

In recent time there has been much discussion about Immigration and the way business is conducted, who can do business and who can’t do business in these islands. Putting the Laws into Committee will give new Members, especially, a chance to sit down and understand a little bit more about the formation of the Immigration Law, about where Members came from in their views and the far-reaching effects of the Laws.

The discussion of the present Immigration Law in Select Committee was long and detailed. Perhaps this will give all Members a good chance to review these matters they have been asking questions about. We certainly do not need a long and drawn out review; but we need a review. While it is not the subject of the Elected Ministers, they have been taking quite a beating on the matter.

The subject of Immigration is not something stationary. It is constantly evolving because our country is developing and the need arises daily for people to come in. In our context we deal more with people coming in, than going out. In all developing and progressive countries today, we find the subject of immigration on the parliament’s agenda because of what it proposes—the regulation of people coming and going. But, as I said, in our context we deal more with people coming in.

I am now in my fourth term here. I have heard changes and views on this subject of immigration from one year to the next and from one Government to the next. It is time that we reach a stage where debate is not so much on who you are going to give status to, or who you are going to give permanent residency to, but that we have a Law that one and all understand and know that they are on all fours with the Law. That is the problem today as well.

I do not believe that you can live in any country and find outsiders, or immigrants, in total satisfaction with the laws dealing with them. I find it necessary, because of the debate, the questions we get as Ministers and Representatives, to sit down with Members of the House who are not on the Executive but who are faced with the same questions perhaps on a daily basis, so that they can put in their views.

There are all sorts of views being pushed today. There is an element who does not want status. There is an element that wants permanent residency. What we have to come to grips with as a group is whether we want to maintain what is in the present Law, or open the floodgates.

If you try to give some preferential treatment to those persons who have been here for over 15 years, you might find it is 600 people if not more. If you do that, you are going to get a feedback from the local person claiming that you are opening the floodgates. None of us can say that we do not hear that sort of argument from some of our constituents because we are not that blind or deaf. We know there is an existing problem, but we have to be men enough to say to both sides “This is the Law, and this is the way it is going to be.”

I believe that we should be long past the years when politicians can get up and promise so much about the Immigration Law in an election campaign. We need to come to a stage where that does not happen because we need to get to a stage where one and all understands where we are. Then you say, “This is the line. Mr. John Jones, from Africa, knows it. The man from Timbuktu also knows it.”

The Local Companies (Control) Law is something that has been in vogue since 1971. I feel that, given the debate surrounding it and the questions from the public on these matters, it is good to sit down and review them. We will take our time and look at all of the aspects affecting those people we have allowed to do business here in relation to the Local Companies (Control) Law, and those Caymanians who have a business and feel threatened in some way. We have to take all of this into consideration.

I feel today that there is so much pressure from the public on these laws that it is good for all Members, not just the Executive Bench, to sit down and look at them. I believe that there are things happening here in this country that should not be happening in relation to the Local Companies (Control) Law. I know there is a debate going on right now. I think we are all aware of it. You say to the local person, "If you want to sell your company you advertise. A Caymanian has preference in relation to his shares, or to all of it." When someone goes that length to do that, and he finds stumbling blocks thrown in his way after he has run the full length of the Law, then something needs to be done to straighten that matter out. You cannot have the powers that be—whether that is Government or money interest from the outside—calling the shots telling the person after he has complied with the written Law that he cannot do this or that.

We find today that there are people, not only Caymanians, being scared. Foreign people have come here and set up businesses trying to keep down Caymanians also through these channels I am referring to. As far as I am concerned, I am happy to see these two Laws in Committee. I am happy to be able to sit down with one and all. We will call witnesses as we need to.

I do not believe that we need a long, drawn out process because much can be understood from where we were before. The Immigration Law was in Committee some three or four years, and we have a document on that which I believe gives everybody food for thought. As I recall, some of the ideas that came across in the Committee were not put into Law. But these are some of the things that people are talking about today. Perhaps Members can go back and refresh their minds as to what was said from whose point of view.

I feel that it is timely for these Laws to be put into Committee, that we sit down and review them, call witnesses and hopefully come up with something workable, especially in the Local Companies (Control) Law. My feelings on the Immigration Law is that we are never going to have a Law that will satisfy everybody. That other Law has given the country a lot of debate and it is time that one and all—Caymanians and non-Caymanians doing business here—know their limits. There can be no finagling, or doing of things under-handily to stop a Caymanian from doing what the Law says they can do.

One of the main questions we have to remember is whether we as Representatives want anybody coming in and telling us that if we can no longer run our businesses, our wives can't run it and we have to sell it for nothing. Are we prepared to take that step? That was raised some time ago in this House and the country spoke out and said no. I recall the Chamber of Commerce was speaking on behalf of businesses and there were letters to the Press saying, "No, you cannot cut off businesses. Don't tell me that I can't sell my business if I want to sell it." That is what they told this Legislative Assembly at that time.

I have a business. Other Members have businesses. I would specifically call to mind a Caymanian and his wife who might have had a business for many years and have

gotten to the stage where they can't run it any more, and they may want to sell it or bring in a partner. The Law says you can get a foreign partner if no Caymanian wants it, once you have advertised. Are we prepared to say to the local person that he cannot do that? I am not prepared to do it, and I will never, ever be. Local and outside persons must have the opportunity to sell their businesses or bring in a partner under the Law. That is what we have to be satisfied with. Once they have taken the steps and done things legally, there should be no stumbling blocks to stop them from doing what they want to do—and I say legally.

I look forward to when this Committee comes to the point where we can sit down and deal with these matters, some of them once and for all.

The Speaker: The First Elected Member for George Town.

(12.34 PM)

Mr. D. Kurt Tibbetts: I have listened with very keen interest to the debate which has ensued since the Honourable First Official Member moved Government Motion No. 1/97. By the tone, it is very obvious that Members of this Legislative Assembly have their own concerns, just as I do myself, regarding the various issues facing us within the context of the Motion.

If we go back to how the Motion is worded we see how the first 'Whereas' section immediately ties the Immigration Law, 1992, the Local Companies (Control) Law (1995 Revision), and the Trade and Business (Licensing) Law (1996 Revision) together. In seeking to do a complete review, and tying all three Laws together by way of taking this to a Select Committee, I understand Government to say that while each individual Law calls for its own concern, there is a general concern which ties all three of them in. We can debate them separately, but when that is all over, we will still have to deal with them together. I take that point. I would quite readily take one or the other, but willingly accept that if we are not in a position to tie them together we would not achieve anything near what I think is hoped to be achieved by taking this to Select Committee.

Each Member who has spoken so far has delved into a different area. I do not think we question which is more important, but accept that each aspect is important because no single problem arising because of the way any of these Laws exists today does not relate to the other two. One allows for individuals within this country to do one thing, while the other allows for another thing, while the third allows for something else. Each of them gives an individual, once that person acquires a certain position within the country, the ability to do certain things. It is obvious why they are tied together.

Having established that, I think we need to go into the exercise itself. I recall hearing of the Select Committee of the whole House on Immigration which was formed in 1989. I recall that it concluded at the very end of that House. Having had access to the document, which is the

"Fifth and Final Report from that Select Committee," and having gone through the document on more than one occasion, it is obvious that the length of time that Committee took was not a total waste because we have a document which outlines the collective thoughts of many, and we have access to that all at one time.

It is almost five years hence. Even if the concluded report had been acted upon at that time (which, in my view, it was not) it is certainly time to look again and make revision. While we do not have any terms of reference at this point, I think that I can say that I concur with the Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture, that the document prepared as the "Fifth and Final Report" of that Select Committee could certainly be used, if not as the base to start from, certainly as a point of reference for the Select Committee being proposed now.

There is a problem I have based on the history of immigration in these islands. It is always a very complex issue because of the diversity of its nature. Many of us who have not just the authority, but the need to deal with certain matters, are almost what I would call afraid to deal with them. As often as we can, we tend to push them aside. If we go into Select Committee to do as in-depth a review as is physically possible, then I would have to contend immediately that there is some time limit set on that review with a view to a conclusion.

My experiences are not as great as others. But I have been there and done that. Somewhere along the line, the terminology 'Select Committee' always has a deadening sound to me. I understand and accept that it is not supposed to be like that, and I am not suggesting that it has to be like that. I am simply saying that on many occasions that's how it is—hence, my call for a time limit on the review, with a report tabled with a view to amending any necessary legislation in place if it is agreed upon by the majority. I do not think that is too complicated.

Let me say that the issues facing us in this Motion are as important as any other that we face in this country. If we do not think these things through properly, if we do not do what is right for all; if we do not act upon all of those things that we all know need to be done, this country will die. It will not be a natural death either.

The Fourth Elected Member for George Town alluded to the costs. He is very right. There is no sense in our suggesting that those costs have not been levied and will still not continue to be levied on us because, by and large, the majority of this country is not prepared to not continue to move forward. I think it is fair comment to say that while the majority of people are trying to live balanced lives—they go to church and try to be godly—they are driven by the need to earn money. Life demands it! If we want to go into another argument we can, but I won't hop into that today. If that is accepted, then we understand the costs involved that will continue to levy themselves on us.

With that in mind, the next step is to accept that the society at present is just about totally integrated. It is a rare occasion in dealing with any extended family in this country, where a very integral part of that family is not a

foreigner. People within that same family tend to say "I don't know what so many foreigners are doing here." But they do not understand that when you add up each one, including what they have along with the rest, is why we say those things. We need to understand and accept that. I do know that neither one of them is going to say, "Well, I guess I'll have to pay the price too. Send him home." They will not do it! They will fight to the bitter end.

While all of that seems complicated, it is simply the truth. If we accept that, then we know there is no turning back. Now, if somebody else intends not to accept that, then he can find the answer and come back and talk about it. When I speak about extended families, I am speaking about every one of us in here today. We are no exceptions—never have been, never will be. I am sure that what I just said about any other family rides true within our context.

I believe that I understand the intent of the Motion. As complicated as all of the different aspects may seem, to say that the Motion is timely, would not be telling the truth. To say, "Thank God it's here, but it's really late" would be more like it!

I recall on the first day of October, 1993, a Private Member's Motion (which was No. 6/93) was rejected. I am not going to read the entire Motion, but let me just state the kind of thought which prevailed, and which are actually now becoming more acute. The Motion was limited to maximum work permit employment period and security of tenure for non-Caymanians. It did not deal with the whole wide spectrum that this Motion attempts to deal with. One of the Resolve sections of that Motion reads:

"BE IT NOW THEREFORE FURTHER RESOLVED THAT Government in a one time sweep-up exercise invite all those individuals, spouses and dependants who have resided in the islands for 15 years and over to apply for consideration for the grant of permanent residence with the right to work, and unless there is good cause to do otherwise, grant such permanent residence and that at the end of this exercise the opportunity to apply be withdrawn from this category of persons."

That Motion was defeated: five Ayes, 11 Noes. Someone wants to know who put the Motion. I did! The now Third Elected Member for Bodden Town seconded the Motion. I guess that is why it was defeated at that time. I don't want to get into that today because we are living nicely and we want to get something done.

I refer to that Motion to say that if we give the benefit of the doubt to those of us who consider the problem so complex and technical that we are afraid of it, I can accept that. But, Government, having shown the first initiative to bring this Motion here.... I call on this Honourable House today to deal with it in a timely fashion and to do what we all know is right. I used the word "complex" because I understand that whatever we do with regard to the decision-making process within this Motion, we have to ensure that as far as it is possible we protect our indigenous population. So many fear that we will fail to do that is why it is not being addressed today.

The Fourth Elected Member for George Town also alluded to shedding those fears and just being open, honest and truthful in dealing with it. I also concur with that. We need to hear all of the representation that can be given to us.

My greatest fear is scheduling these meetings and not having a quorum. Because I consider my responsibility serious, I will do anything at any time—if they want to meet at night, it does not matter to me, because this has to be dealt with. Each and every Member of this House must ensure that he/she understands that it is incumbent for them not to let it go, given the fact that it is now coming under an atmosphere where we are not fighting, but have the will to do what is right. I do not believe that this needs more than a year to deal with. To some, that may seem long. I will quickly try to justify my reasoning.

I firmly believe, given the diversity of this society, that we need to hear the fears and concerns from as wide a cross-section as possible. I do not believe that we should limit it to organised groups. It does not have to be limited to that. I think that we prejudice the situation when we do that. While entertaining the thoughts of these others, we should be meeting, airing and compiling our thoughts together with theirs. We need to be able to scrap the politics when it comes to this type of situation. As an Elected Member for the District of George Town, I need to be able to use the experiences that I have had in order to prove any points I may wish to make. What I do not need is to go into that Select Committee trying to posture for position as a Representative. We need not think like that. It can easily happen, I know that—I've been there and done that too. This is not one of those things.

I say this to let everyone know that I understand how it is; but I am also seeking like thoughts from my fellow representatives so that we can do what is right. I have chosen not to go into all of the horror stories that I know because I have been telling them for quite some time. When we go to Select Committee I will be able to use many of those examples to bring home my points. I have had ample opportunity before now to talk about these things, and I do not think that I should take the time to home in on these things. I think we all need to understand what this is all about and, hopefully, where we want to go with this. Finally, we need to do it.

I trust that the Mover of the Motion will be able to accept my proposal and deal with a time limit. I must be honest, if I get any inclination that that is not the thought process, I, too, will have a problem voting for it. I will fight the battle the only way I know how to. It does not seem that is the case, I am only stating my thought process.

I believe that everybody wants to do the right thing now. I hope that we can get off to a good start. I hope that once the Committee is agreed to that it can start immediately. Whatever sacrifices we have to make to deal with it, let us make them.

I believe I have made my stand clear. I do not think any Member here does not want us to deal with it. I also understand that we are going to fight, but we don't have to fight not to move forward. Everyone will have his own view, and some of us will feel stronger about certain ar-

reas than others. It is just for us to give each other latitude and to listen, then we can make the decisions based on the thoughts of the majority with the input we receive.

Once we go about it in that fashion, it is not going to end there—it is something which will have to be reviewed continually. I hope that once we conclude this, we understand and accept that we are going to have to deal with it all the time so that we do not get back into the same dire straight we are in today. If all of that can happen, then we will be able, after the exercise, to say that some things do work right sometimes.

The Speaker: I think this will be a convenient time to take the luncheon suspension. Proceedings are suspended until 2.15.

PROCEEDINGS SUSPENDED AT 12.58 PM

PROCEEDINGS RESUMED AT 2.39 PM

The Speaker: Please be seated. Debate continues on Government Motion No. 1/97.

The Third Elected Member for George Town.

(2.41 PM)

Mr. Linford A. Pierson: Government Motions Nos. 1/97 and 2/97, are, in my opinion, timely. We are presently dealing with Government Motion No. 1/97 which reads:

“WHEREAS there is considerable inter-relationship between the Immigration Law, 1992, the Local Companies (Control) Law (1995 Revision) and the Trade and Business (Licensing) Law (1996 Revision);

“AND WHEREAS there has been considerable passage of time since these Laws were enacted or substantially amended;

“AND WHEREAS a Select Committee entitled ‘Select Committee (of Elected Members) Control of Local Businesses’ made certain recommendations in its final Report to this Honourable House;

“BE IT NOW THEREFORE RESOLVED THAT the Immigration Law, 1992, the Local Companies (Control) Law (1995 Revision) and the Trade and Business (Licensing) Law (1996 Revision) be referred to a Select Committee of the whole House, without prejudice to the final Report of the Select Committee (of Elected Members) Control of Local Businesses, for review to formulate principles in accordance with which specific amendments to these and any other relevant laws may be drafted and brought to this Honourable House by the Honourable First Official Member;

“AND BE IT NOW THEREFORE RESOLVED THAT, in considering the matter, the Select Committee seek input from the public.”

Previous speakers made some very important and interesting points. I would like to point out that I had the privilege of being a part of the Select Committee set up in

1989 for the same objective. In 1989, we saw the need to put the Immigration Law, 1992, the Local Companies (Control) Law and the Trade and Business (Licensing) Law into a Select Committee. This was done by means of Government Motion No. 2/89.

This Motion asks for these three Laws to be put into a Select Committee, and I do not think that this is the right point in time to go into a lot of the pros and cons of this exercise. However, I would like to take this opportunity to reiterate some of the points that were made, and to add a few myself.

The Third Elected Member for Bodden Town was also a Member of that Select Committee back in 1989. As he said, one of the major problems we experienced as a Committee was being able to form a quorum, and to get Members to put the interest into the Committee it required.

As a Member of Executive Council at the time, I can tell you that it was not very easy to divorce one's self from one's daily chores in the office to find time to go down to Select Committee. But it is very important, and I trust that the Members supporting this will make an effort to come to the Select Committee meetings so that the deliberations can be carried out in a meaningful manner, and we will not take four years to complete this exercise.

A question was raised that if it took such a long time, what would happen if there was a change in Government in the year 2000. Would it take another four years? This is the reason why I feel the same way as other Members—that perhaps we have enough information in the report of that Select Committee to be studied by Government, rather than going through the same tedious exercise of calling the same witnesses in and getting the same information all over again. I would not exactly call taking this to a Select Committee a waste of time, my only concern is that Members of the Legislative Assembly see this as an important enough exercise to take time off to support this Select Committee.

I was particularly interested in the remarks made by the Fourth Elected Member for George Town. I think he touched on the same issues I was considering when this Motion first appeared on the Order Paper. That was not just the exercise of coming to Select Committee, hearing witnesses and deliberating, but being brave enough to tackle the major issues facing this country as far as immigration policies go. Those issues deal not only with work permits, status and so on, but the whole philosophy (as the Member said), and the moral questions that must be addressed by each Member of this Honourable House.

The report finalised in 1992 took us from 1989 to 1992. During that time it was deemed necessary to hold some 31 meetings. I would not want to make the impression that the exercise necessarily had to take four years to complete. As many Members will recall, during that time another issue took preference over this Select Committee. That was the review of the Constitution of the Cayman Islands. That is precisely why no meetings of the Select Committee were held from 8th January, 1991 to 1st November, 1991. With the amount of information now

available to this Honourable House compiled during the period from 1989 to 1992, I would hope that this exercise would take no longer than six months to one year. Going beyond that would indeed be regarded by me as a colossal waste of time.

I want to lend my support to this Motion for these three Laws to be put into a Select Committee and I, for one, give the assurance that I will do all within my power to attend the meetings of this Select Committee.

The Speaker: Does any other Member wish to speak? (Pause)

If not, would the Honourable First Official Member like to exercise his right to reply?

(2.51 PM)

Hon. James M. Ryan: I want to begin by thanking the Members who spoke to this Motion, and to also thank those Members who have been silent but prepared to support this Motion. A few points were raised during the debate, and I will try to clarify as many of them as I can.

The Third Elected Member for Bodden Town drew the analogy of the Sisyphaen Myth, and the fact that we are going to get another Select Committee. I believe that I have probably answered more Parliamentary questions asked by that Member on Immigration than on any other subject from any other Member in this House. I believe that Member has had genuine concerns, and no doubt still has genuine concerns, about immigration and the Immigration Law. That is one of the reasons why I believe it is necessary for us to take another look at this Law and the other two pieces of companion legislation, the Local Companies (Control) Law (1995 Revision) and the Trade and Business (Licensing) Law.

I take the point that if a Select Committee has to go on for four years that it will be a waste of time. I do not think there is any need for that. I don't think there is any need to "reinvent the wheel." We have a good starting point for the Select Committee in that we have the final report of the Select Committee from 1989 and 1992. But I believe that we have a number of persons in this Honourable House who were not a part of the House when this Select Committee considered this legislation. As I look around the room, first on the official side, only one Official Member is present from when that Select Committee met. Over on the elected side there are a number of new faces as well. I believe that it is an opportunity for us to have new ideas injected into the view on the Immigration Law and the other pieces of legislation.

I think that the Fourth Elected Member for George Town gave a brilliant dissertation on nationalism, tribalism, and the philosophical dimension of the legislation. However, I believe that in the end he may have been more convincing in the need to look at the legislation than not to do so. I think the point has been made time and again that there are inadequacies, particularly in the Immigration Law and, I believe, in the other pieces of legislation as well, that we need to look at.

The point was made that it has been nearly five years since that Select Committee made its report. A lot of things change in a country in five years. In this country, a lot of things have changed. I believe that Members of the public have been calling for a review, and I believe that the Government is right in recommending that this go before a Select Committee.

A Select Committee will give each Member of this House the chance to be involved in reviewing the legislation, and I believe that new ideas will come from the Members who were not part of the former Select Committee. I think that the Select Committee can deal with these three pieces of legislation and make a report to this House within a year. I do not think that is an impossible task. I take the point that has been made again and again today that Select Committee are not very glamorous—it's a lot of hard work and it is not easy for us to tear ourselves away from our offices to attend. But I do appreciate the willingness of those Members who spoke when they said that they would make every effort to attend Select Committee meetings. I believe that the Members who have not spoken will do likewise.

The First Elected Member for George Town suggested that we set a timetable of one year, and I think that is a realistic time. A suggestion was made of six months to a year. I would not stand here and say that we could finish it within six months—although, if we can, all the better. I think that a year is realistic and I say, let us shoot for that. Let's prove that Select Committees do not have to go on, and on, and on.

In summary, I just want to thank those Members who offered their support for their willingness. I believe that we can work together as a team and we can complete this very important task in a year. I look forward to seeing the matter go to a Select Committee, being completed, and getting the necessary legislation brought to this House.

Thank you, Mr. Speaker.

The Speaker: The question is that Government Motion No. 1/97 to appoint a Select Committee of the whole House to review the Immigration Law, 1992, the Local Companies (Control) Law (1995 Revision) and the Trade and Business (Licensing) Law, be passed.

I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. GOVERNMENT MOTION NO. 1/97 PASSED.

NOMINATION OF CHAIRMAN TO THE SELECT COMMITTEE

(Standing Order 70(2))

The Speaker: In accordance with the provision of Standing Order 69(2), I appoint the Honourable Second Official Member to be the Chairman of the Select Committee.

We now move on to Government Motion No. 2/97, The Election Law (1995 Revision). The Honourable First Official Member.

GOVERNMENT MOTION NO. 2/97

The Elections Law (1995 Revision)

(3.01 PM)

Hon. James M. Ryan: I beg to move Government Motion No. 2/97, The Elections Law (1995 Revision), which reads:

“WHEREAS there has been a considerable passage of time since the Elections Law was enacted;

“BE IT NOW THEREFORE RESOLVED THAT the Elections Law (1995 Revision) be referred to a Select Committee of the whole House for review and for it to formulate principles in accordance with which specific amendments to this and any other relevant laws may be drafted and brought to this Honourable House by the Honourable First Official Member.”

The Speaker: Government Motion No. 2/97, having been duly Moved by the Honourable First Official Member, is now open for debate.

The Honourable First Official Member.

Hon. James M. Ryan: The Elections Law is a very important Law in this country. It is the Law by which Members are elected to this House by the people. The Elections Law, as it stands today (and has for many years), requires, among other things, that before each General Election, a register of voters has to be prepared and a very costly enumeration process has to be carried out.

In addition to the register of voters that has to be done every four years prior to an election, there is also a lack of an identification card for voters. These are just two items I would like to site needing to be considered in amending the Elections Law. It had been hoped that prior to the last election that this country would have produced a permanent register of voters. This did not materialise. So, last year, prior to election, we went through the usual costly and time consuming exercise of going house to house preparing a register of voters.

There are other issues within the Election Law that legislators have raised from time to time that they would like to see changed. The Government is of the view that this Law should be dealt with by way of a Select Committee. I believe that we can go through a Select Committee and, with the cooperation of all legislators, we can bring the Elections Law in line with the times as we near the turn of the Century.

I call for the cooperation and support of all Members as we propose to send this important piece of legislation to a Select Committee.

The Speaker: The Fourth Elected Member for George Town.

(3.07 PM)

Dr. Frank McField: I would just like to take the opportunity to make a few brief remarks on Government Motion No. 2/97, the Elections Law.

I am not sure that I understand this Law sufficiently to state whether or not it should go into a Select Committee at this stage. My knowledge of the Elections Law comes from my having had the opportunity to contest for a seat in the last General Election. I felt that people having to be registered all over again was burdensome. I feel that this is something that could be taken care of by way of an amendment and does not have to go through the process of examination by a Select Committee of the whole House.

I think there are quite a few other weak points in our Laws that we, by way of experience, have come to recognise could be corrected. I think there was a rushed amendment to the Law which defined the amount of money a candidate could spend. I think it was proven that it was not well thought out, otherwise there would not have been this limitation. In fact, what amendments of this calibre might do is cause people to become dishonest in regard to revealing their campaign contributions and disbursements.

I have just identified two areas, the registration of voters that becomes bothersome to the voter also, to have to go through the same procedure every four years, answering the same questions, with people coming to their homes when they want to watch "Days of our Lives" to ask questions they have answered so many times before (because now they are in their 60s). I know that could be simplified. I would support any amendment to make that a bit less bothersome. I also find that there are people who refuse to register to vote because they have become disillusioned by the process. When they did change their minds, it was too late to register.

There was also the question of persons who were disenfranchised because they turned 18 at the cut-off time—and it was not a reasonable cut-off date. The person in most countries would have been allowed to vote in any case. In other words, someone who would turn 18 before the date of the 1996 November General Election would have been able to vote in spite of the fact that he was not 18 at the time of registration.

I have now covered about three areas.

I think that the Government could very well bring in somebody in the area of Election Supervision who would be responsible for getting the type of input from these individuals necessary to modify the Law to make it functional. I do not feel that it is necessary, at this particular time, to take the Elections Law into a Select Committee.

There is a particular case in court at this time (which I cannot mention). I say that this is the wrong time to be dealing with this Law in any form whatsoever.

The Speaker: The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

(3.13 PM)

Hon. W. McKeeva Bush: I support the Motion calling for this Law to go to a Select Committee. Ever since I have been in this House, every time this Law was dealt with, it was dealt with in a rush before a General Election. I think this is an appropriate time to look through the Law.

We have just completed a General Election, and we know some of the quirks which exist in the system. The Member who last spoke pointed out several areas. He mentioned a court case, but I do not see that being a hindrance to what we have to do as far as what he pointed out regarding the Law.

There are other areas which I feel definitely need to be looked at. The process of trying to get people to exercise their democratic right by registering has become a very tedious process. In this day and age we need not have that—there is too much sophistication as far as equipment. There are other areas we could employ to have some of these quirks worked out. I feel the area where people vote 'absentee' is one that is tedious. I think if a person wants to vote 'absentee' that is their democratic right, once they are voting within the Law. I do not think we should set up barriers to them where especially the elderly have to get doctor's certificates, etcetera. If a person wants to vote but cannot go to the poll for some reason or another, once they complete a form stating they cannot go, that should be sufficient.

I am against that particular section of the Law which deals with people having to get a doctor's certificate. When it was proposed, I objected to it. The 'powers that be' at the time thought they were keeping somebody out and that is why they put it in place. They found out in subsequent General Elections that is not what elects people—it is what people do in this House. The general public recognise what they do and they will give their assent to that candidate.

So, having those areas outlined, along with the one I just mentioned, I feel certain that it is a good exercise. I am glad that we are taking the steps to put it into a Select Committee.

The Speaker: Does any other Member wish to speak? (Pause)

If not, would the Honourable First Official Member like to exercise his right to reply?

(3.17 PM)

Hon. James M. Ryan: I want to thank the two Honourable Members who spoke. I want to thank other Members for what I believe is their silent support.

There is not a lot to deal with, but I will reply to the Fourth Elected Member for George Town. He pointed out a number of shortcomings in the present Law. I believe that the best way to deal with this is where everybody has

a chance in Select Committee to discuss the issues and try to sort them out.

The Government, in an effort to involve all Honourable Members of this House in the review, has chosen to go the route of the Select Committee. I do not believe that it has to be a long, drawn out operation. I believe that the people who know best what needs to be done are Honourable Members of this House and I believe that those issues can be put on the Table and amicably discussed, agreed and then the amendments to the Law can be made and brought to this House for approval.

I believe the time is right to do it now. If it gets left until the time of a General Election, I doubt we would get through. But while the issues are fresh in our minds, now is the time to deal with them. By involving everybody I would hope that we would encompass all of the short comings that are recognised. Dealing with it in Executive Council alone before bringing it here would not necessarily reflect the views of everybody. I would like this to reflect the views of all Honourable Members, therefore, I seek your support in sending this important piece of legislation to Select Committee.

I seek your support in attending meetings of Select Committee. Let us get this legislation brought into line with the times. I believe from the views expressed by the Members who spoke, and expressed to me otherwise, is that we need to get a permanent register and get away from this enumeration of voters every four years. We need to get a permanent register in place to save a lot of hassle and costs, and to be current in the way we deal with it.

I thank you, Mr. Speaker, and I seek the support of all Honourable Members in sending this to a Select Committee.

The Speaker: The question is Government Motion No. 2/97, The Election Law (1995 Revision), being sent to a Select Committee. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. GOVERNMENT MOTION NO. 2/97 PASSED.

NOMINATION OF CHAIRMAN TO THE SELECT COMMITTEE

(Standing Order 70(2))

The Speaker: In accordance with the provision of Standing Order 69(2), I appoint the Honourable First Official Member to be the Chairman of the Select Committee.

The Honourable Minister for Education, Aviation and Planning.

MOTION TO SUSPEND STANDING ORDERS 46 AND 47

Hon. Truman M. Bodden: I would ask that this last item of business, as it is getting late, be put for Wednesday

morning at 10 o'clock, as there is one other small area of business that would remain after this matter. I ask that the House entertain an adjournment at this stage, if it so pleases you, sir, until Wednesday at 10 o'clock.

The Speaker: Certainly, Honourable Minister.

ADJOURNMENT

Hon. Truman M. Bodden: Mr. Speaker, I move the adjournment of this Honourable House until 10 o'clock Wednesday morning.

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

AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned.

AT 3.22 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM WEDNESDAY, 23RD APRIL, 1997.

**EDITED
WEDNESDAY
23RD APRIL, 1997
10.17 AM**

The Speaker: I will ask the Honourable First Official Member to say prayers.

PRAYERS

Hon. James M. Ryan: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed.

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

APOLOGIES

The Speaker: I have apologies from the Honourable Minister for Education, Aviation and Planning; the Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture; and the Honourable Minister for Tourism Commerce and Transport.

**OBITUARY
AND OTHER CEREMONIAL SPEECHES**

The Late Mrs. Edith Alexander Bodden

The Speaker: As Members are aware, Mrs. Edith Alexander Bodden, better known to us as Miss Alex, mother of the Honourable Truman M. Bodden, and his four sisters, passed away on Tuesday, 22nd April, 1997, at the George Town Hospital.

As is usual, I will ask the Clerk to convey, on behalf of the House, sincere condolences to the Honourable Minister and his family. May the Good Lord be with them during this very sad time. May she rest in peace.

At this time I would like to ask all Members to stand for a moment of silence.

**THE HOUSE STOOD IN SILENCE
(10.19 AM)**

The Speaker: Thank you. Please be seated.

As a token of our respect to the deceased and to the Honourable Minister for Education, Aviation and Planning, the Honourable Truman M. Bodden, I will entertain a motion for the adjournment of this House until the 1st of May.

The Honourable Minister for Agriculture, Environment, Communications and Works.

ADJOURNMENT

Hon. John B. McLean: Mr. Speaker, I move the adjournment of this Honourable House until Thursday morning, 1st May, at 10 o'clock.

The Speaker: The question is that the House do now adjourn until Thursday morning, 1st May, at 10 o'clock. I shall put the question. Those in favour please say Aye... Those against No.

AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned.

AT 10.23 AM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM THURSDAY, 1ST MAY, 1997.

**EDITED
THURSDAY
1ST MAY, 1997
10.49 AM**

The Speaker: I will ask the Member for North Side to say prayers.

PRAYERS

Mrs. Edna M. Moyle: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed.

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

APOLOGIES

The Speaker: We have apologies from the Honourable Second Official Member who is off the island on official business.

Administration of Oath of Allegiance to Mr. Ivor Archie, Solicitor General, to be the Honourable Acting Second Official Member. Mr. Archie, would you please come forward to the Clerk's table?

**ADMINISTRATION OF OATHS
OATH OF ALLEGIANCE
by Mr. Ivor Archie**

Hon. Ivor Archie: I, Ivor Archie, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors according to law. So help me God.

The Speaker: Please take your seat as the Honourable Acting Second Official Member. I welcome you on behalf of the Members of this Honourable House during your period of service here.

Presentation of Papers and Reports. The Honourable Minister for Agriculture, Environment, Communications and Works.

**PRESENTATION OF PAPERS
AND REPORTS**

**CAYMAN TURTLE FARM (1983) LIMITED
FINANCIAL STATEMENTS AT 31ST MARCH, 1996**

Hon. John B. McLean: I beg to lay on the Table the Cayman Turtle Farm (1983) Limited Financial Statements at 31st March, 1996.

The Speaker: So ordered.

The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I would like to say that the Turtle Farm has been doing very well. Once again we have shown a profit, and the projection for this year is that the profits will be even greater.

There have been certain changes since I have taken responsibility, especially with the production and distribution of meat. I am pleased to report that not only are we supplying the individual districts, but we have also created outlets within George Town, and are presently looking at an outlet in Cayman Brac and in West Bay.

Things are going well, and we are pressing forward to make it even better. As a matter of fact, on Monday I will be going to view something in another part of the world with the hopes that we can upgrade our facility even further.

Thank you, Mr. Speaker.

The Speaker: Questions to Honourable Members and Ministers. Question No. 66 is standing in the name of the Third Elected Member for Bodden Town.

QUESTIONS TO HONOURABLE MEMBERS/MINISTERS

QUESTION NO. 66

No. 66: Mr. Roy Bodden asked the Honourable Acting Second Official Member to state, by gender, the number of persons between the ages of 17 to 25 years who have been convicted of criminal offences since January 1995.

The Speaker: The Honourable Acting Second Official Member.

Hon. Ivor Archie: The Courts' Office does not collate the statistics requested, therefore it is not possible to provide this information.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member say why such statistics are not collected?

The Speaker: The Honourable Acting Second Official Member.

Hon. Ivor Archie: I am not able to say why such statistics are not collected. I do know that statistics are collected in respect to juveniles, that is, persons who have not yet attained the age of 17 years. I believe that some time ago this was identified as an area of particular concern.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member state if this pertains to all age groups and categories, or is it just pertaining to the specific age group covered in the question?

The Speaker: The Honourable Acting Second Official Member.

Hon. Ivor Archie: I am not aware of statistics being collated in relation to specified age groups other than juveniles.

The Speaker: If there are no further supplementaries, the next question is No. 67, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 67

No. 67: Mr. Roy Bodden asked the Honourable Third Official Member responsible for Finance and Development to say which projects were financed by the C\$16

million loan mentioned by the Financial Secretary during the December 1996 Finance Committee meeting.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: Of the 1996 loan for \$16 million, a total of \$13.5 million was spent during the year on those projects specified in the 1996 Budget document. The details of this expenditure and related information are set out in the attached table.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member state if there are any plans to use the funds remaining from this amount?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: That has been incorporated into the 1997 Budget.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Member state if the amount he just mentioned is part of the \$6 million carried over into the Budget?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: Yes, it is part of the brought forward balance. I should mention that some of the projects which were started are continuing.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member say if any other loan was drawn down and used at this time?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: There was a further loan of \$10.6 million approved during the Finance Committee meeting in September. Also, there was a further amendment to a 1993 Loan Bill in order to utilise \$1.5 million that had remained unspent, giving a total of \$12.1 million. We know that when we combine the two amounts we have a total approval of loans for the year 1996 of approximately \$28 million, out of which \$22 million have been spent. A part of the unspent balance of the \$6 million would include the unspent portion of the combined

loans of \$10.6 million and \$1.5 million approved during the September Finance Committee meeting.

The Speaker: Before we go further, I will entertain a motion for the suspension of Standing Order 23 (7) and (8) to allow Question Time to continue past 11 o'clock.

The Third Elected Member for George Town.

SUSPENSION OF STANDING ORDER 23(7) & (8)
(11.00 AM)

Mr. Linford A. Pierson: Mr. Speaker, I so move.

The Speaker: The question is that Standing Order 23(7) and (8) be suspended in order to continue Question Time. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. STANDING ORDER 23(7) AND (8) SUSPENDED TO ENABLE QUESTION TIME TO CONTINUE.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Can the Honourable Third Official Member say whether the \$16 million loan in question had to be obtained in order to balance the 1996 Budget?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: It was obtained as a part of the balancing process of the Budget. That is why it was approved when the Budget was brought to the House in November 1995.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: I realise that the Honourable Third Official Member may not have this information now, but may I request that the House be provided with a breakdown of those funds out of the \$10 million loan which have been spent thus far?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: I will give an undertaking to provide that information.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: In the schedule which is attached to the answer, there are several areas where funds were allocated and only part of the amount was spent. Can the Honourable Member explain the process which occurs whenever there is an amount approved and at year end only part has been spent? What happens to those funds?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: Under the Public Finance and Audit Law the Government can only draw down against what has been spent. For example, if \$2 million have been allocated for a project and only \$1.5 million have been spent, only \$1.5 million can be drawn down at the end of the year. The remaining \$.5 million will have to remain with the bank.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: I noted that under note 5 there is a sum of \$65,000 for upgrading and extending walkways, and \$80,000 for the construction of a multi-purpose hall at Spott Bay. None of these funds were expended. I wonder if the Honourable Member could say why?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: Responsibility for Capital Works rests with the Ministry for Communications and Works. I am not in a position to say why these projects were not commenced. If I attempted to do so, I would not be giving accurate information. I can investigate the matter and provide an answer to the Honourable Member.

The Speaker: If there are no further supplementaries, the next question is No. 68, standing in the name of the Third Elected Member for West Bay... who is not in the Chamber. We will move on to question No. 69, which stands in the name of the Third Elected Member for George Town.

QUESTION NO. 69

No. 69: Mr. Linford A. Pierson asked the Honourable Third Official Member responsible for Finance and Development to state the amount of overseas' medical expenses accumulated on advance accounts as at 31st December, 1996.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: The amount of overseas' medical expenses accumulated on Advance Accounts as at 31st December, 1996, is CI\$9,766,662.88.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Can the Honourable Member provide an ageing analysis of the debts? Is he in a position to highlight those that are regarded as bad debts?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: I am not able to provide that information at this time, but I can give some information which may be useful to the Member. At a meeting scheduled for next Wednesday at 10.00 AM, the Deputy Financial Secretary, the Auditor General, the Accountant General, the Assistant Financial Secretary, the Hospital Accountant, the Director of Internal Audit, the Director of Budget and Management Services, and I, will be meeting to consider the accumulated indebtedness in respect of overseas medical advances.

There are four approaches which I have outlined so far. I have not discussed them with the members of the group as yet, but this is what will be proposed: (1) A recommendation will be made to Finance Committee for the amounts determined to be uncollectable and unsecured to be written off. (2) Those amounts that are uncollectable but secured with property or other security will be transferred to a dormant account to be realised when the patients' financial position improves, or the lien will remain against the property until the person becomes deceased and a claim will be made in respect of that balance. (We will have to consider whether these loans will be accruing interest or not.) (3) Those amounts deemed to be collectable within one year will remain as advances. (4) Amounts beyond one year will be recommended to this House for conversion to long term loans.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Can the Honourable Member state how the dormant accounts will be treated in the Government's financial statements?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: That is a very good question. It is not agreed upon as yet, but we will treat that as a memorandum entry, meaning that it will have to be taken out of the main body of assets. Although these are assets to which Government will exercise a claim, or will benefit from at some point in the future (because of the fact that they will not be realisable until certain conditions will be met), they will be removed as a part of the asset structure within the financial statements.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: The Honourable Member mentioned that there will be four steps taken as a policy of Government in dealing with these medical cases and other similar expenses on advance accounts. I wonder if he could state when he plans to bring this policy into effect?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: Once the group of persons I mentioned meets and comes up with a set of recommendations as to how these amounts will be dealt with, a recommendation will be made to the Honourable Minister with responsibility for Health in terms of how these amounts should be addressed. But we are hoping that this information will be collated in time to be fed through the Ministry and put on the agenda for Finance Committee to deal with before the June Meeting commences.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I wonder if the Honourable Member would also confirm that advances, which are collectable, that go beyond one year will be placed in an account where they will be paid back by people owing these funds, but that the amount will be written off under the Revenue and Expenditure account?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: The amounts that are collectable will be written off, but the loans will have to flow through expenditures. So, they will be charged as expenditure items within the accounts of Government.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: The Honourable Member said that these amounts would be written off. I take it that he means against the surplus and deficit account.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: Ultimately it will come to that, but they will be charged to expenditure during the course of 1997. These charges will impact the Surplus and Deficit account.

The Speaker: If there are no further supplementaries, the next question is No. 70, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 70

No. 70: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister for Agriculture, Environment, Communications and Works whether there are any plans for the introduction of an Agricultural Show for Cayman Brac and Little Cayman.

**DEFERMENT OF QUESTION NO. 70 & 72
Standing Order 23(5)**

Hon. Truman M. Bodden: Mr. Speaker, I would ask that Questions Nos. 70 and 72 be deferred. They were on the Order Paper last Wednesday. Unfortunately, I was not here at the time, and in error I placed them back along with two other questions. The Member is not ready to deal with these two, but he is ready with the other two. May I just ask that they be deferred? I apologise for that.

The Speaker: The question is that under Standing Order 23(5), Questions Nos. 70 and 72 be deferred. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

**AGREED. QUESTIONS NOS. 70 AND 72 DEFERRED
TO A LATER SITTING.**

The Speaker: Question No. 71, standing in the name of the Fourth Elected Member for West Bay.

QUESTION NO. 71

No. 71: Mr. D. Dalmain Ebanks asked the Honourable Minister for Education, Aviation and Planning what progress has been made on the proposed new Primary School for West Bay.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The Ministry has identified three possible sites, and is in the process of deciding which site is most feasible. Once the site is identified and purchased, the architectural brief and the preliminary drawing will be done.

The Speaker: If there are no supplementaries, the next question is No. 73, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 73

No. 73: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister for Agriculture, Environment, Communications and Works what programmes are in place to encourage the development of agriculture in Cayman Brac.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: There are several programmes and services in place to encourage the development of agriculture in Cayman Brac as follows:

- (a) **Veterinary Services:** To provide medical and minor surgical assistance to livestock;
- (b) **Agricultural Sales:** To provide for the storage and sale of agricultural supplies such as feed, fertilisers and chemicals;
- (c) **Crop Advisory Services:** To give advice in the areas of plant protection, fertiliser use and variety selection. Also includes the provision of improved banana and plantain planting material;
- (d) **Tree Crop Spraying Programme:** To assist persons with the management of pests and diseases on fruit trees;
- (e) **Trailer Service:** To facilitate the safe and convenient transportation of cattle between the Bluff and lowland for both veterinary treatment and slaughter;
- (f) **Land Clearing Programme:** To facilitate owners of land or persons with security of tenure through lease agreements, the Department of Agriculture coordinates land clearing activity for agricultural purposes with Public Works Department, Cayman Brac;
- (g) **Bull Service Programme:** The Department of Agriculture has a Senepol bull available to all farmers who may want to upgrade their cattle.

The project to provide easier access to water on the Bluff, for use by farmers, has been delayed but all the equipment for water extraction and storage has already been purchased. As soon as matters surrounding land acquisition or easements are settled, the equipment will be installed.

Finally, in an effort to strengthen the department's office in Cayman Brac, an Agricultural trainee from Cayman Brac is presently on study leave pursuing a diploma in livestock production and management.

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Under (a) Veterinary Services, the Honourable Minister said that provision is being made for medical and minor surgical assistance to livestock. Can the Honourable Minister state if there is anyone employed in the Brac who does this, or whether someone has to travel from Grand Cayman to perform these duties?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: What I said under (a) was: "To provide medical and minor surgical assistance to livestock." We have an individual who is presently stationed on Cayman Brac. If need be, on short notice, it is no problem for the department to take somebody over and give added assistance.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister state if anyone (should I say?) 'indigenous' to the Brac is being trained in that area?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I will re-read the final part of my answer, "Finally, in an effort to strengthen the department's office in Cayman Brac, an Agricultural trainee from Cayman Brac is presently on study leave pursuing a diploma in livestock production and management."

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I, too, can read. That was not my question. I was asking about being able to perform medical and minor surgical assistance. My understanding of livestock production and management does not indicate that. That is why I asked the question.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I guess we all read things differently. The answer is saying that we have somebody training who will assist with livestock and management of other agricultural affairs. At present, the individual who is stationed in Cayman Brac is definitely a Cayman Bracker. If I may add, on certain occasions the individual from the department who has to go over to Cayman Brac to render such services, is also a Cayman Bracker.

The Speaker: If there are no further supplementaries, the next question is No. 74, standing in the name of the Third Elected Member for George Town.

QUESTION NO. 74

No. 74: Mr. Linford A. Pierson asked the Honourable Minister for Agriculture, Environment, Communications and Works to state whether there are any indications of the Pink Mealybug being found and/or having infested any areas of the Cayman islands.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: There are no indications of the Pink Mealybug being found and/or having infested any area of the Cayman Islands.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Can the Honourable Minister briefly explain what preventative measures are in place at present?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Every precaution has been taken by the Department and my Ministry with regard to preventing the infestation of the Pink Mealybug in the Cayman Islands.

First of all, we were notified that the Pink Mealybug had literally devastated the crops in Grenada. Most recently we learned of a threat to Jamaica. My Ministry instructed the Department to immediately put a ban on all imports of produce from the areas mentioned and any other area we may learn has been threatened. Until this point in time, I have seen no information to cause me to change my mind in regard to the ban, especially of items from our neighbour, Jamaica. I give this Honourable House the assurance that I shall not change my mind with regard to the ban until I see substantial evidence.

It is my understanding that the Pink Mealybug attacks about 1,000 species of plants. With the conditions and terrain of our land in the Cayman Islands... God help us if we should get an infestation. There would be no way that my Department of Agriculture would be able to penetrate certain areas to eradicate it.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I am certain that we all concur with the last statement made by the Minister. Can the Honourable Minister possibly tell us if there is any way to eradicate this pest once infestation should occur in the Cayman Islands?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: This is the fear shared by my Department and my Ministry. It seems that in places like Grenada, where properties have been accessible, even with the different insecticides that have been used, there is no guarantee that one that will actually eradicate it.

The Speaker: If there are no further supplementaries, that concludes Question Time for this morning.

Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 11.29 AM

PROCEEDINGS RESUMED AT 2.42 PM

The Speaker: Please be seated.

At the end of Question Time this morning, I omitted calling question No. 68 a second time. I will now call question No. 68. The Member is still not in the Chamber. Has he deputed anyone to ask the question for him? If not, the question falls away. *[To provide this Honourable House with a progress report on the Courts Offices' review as was called for in Private Member's Motion No. 17/94, passed by the Legislative Assembly on the 16th day of June, 1994.]*

Government Business, Bills. Suspension of Standing Order 46 and 47. The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, before Government Business begins, I think that the Honourable Second Official Member may wish to deal with one of the Bills that we will not be going on with. Do you prefer to take that before I go on?

The Speaker: I will do whatever you wish.

GOVERNMENT BUSINESS

BILLS

SUSPENSION OF STANDING ORDERS 46 and 47

Hon. Truman M. Bodden: Then I will move the suspension of Standing Orders 46 and 47 to enable all stages of the Bills to be taken.

The Speaker: The question is the suspension of Standing Orders 46 and 47 to allow all three readings of the Bills to be taken today. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. STANDING ORDERS 46 AND 47 SUSPENDED TO ENABLE ALL STAGES OF THE BILLS TO BE TAKEN.

WITHDRAWAL OF BILLS

Standing Order 58

THE MUTUAL LEGAL ASSISTANCE (1988 UNITED NATIONS CONVENTION) BILL, 1997

(Withdrawn)

The Speaker: The Honourable Acting Second Official Member.

Hon. Ivor Archie: Mr. Speaker, before we take this Bill I move, in accordance with the provisions of Standing Order 58, that The Mutual Legal Assistance (1988 United Nations Convention) Bill, 1997, be withdrawn from consideration by this House at this Meeting, to be brought back before the House at the earliest opportunity.

The Speaker: The question is that the Bill be withdrawn from consideration by this House at this Meeting to be brought back before the House at the earliest opportunity. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. THE MUTUAL LEGAL ASSISTANCE (1988 UNITED NATIONS CONVENTION) BILL, 1997, WITHDRAWN FROM CONSIDERATION BY THIS HOUSE AT THIS MEETING TO BE BROUGHT BACK BEFORE THE HOUSE AT THE EARLIEST CONVENIENT OPPORTUNITY.

THE MISCELLANEOUS PROVISION FEES BILL, 1997

(Withdrawn)

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: In accordance with the provision of Standing Order 58, I beg the withdrawal of a Bill entitled, The Miscellaneous Provision Fees Bill, 1997.

The Speaker: The question is the withdrawal of a Bill entitled, The Miscellaneous Provision Fees Bill, 1997. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. THE MISCELLANEOUS PROVISION FEES BILL, 1997, WITHDRAWN.

FIRST READINGS

THE DEVELOPMENT AND PLANNING (AMENDMENT) BILL, 1997

Clerk: The Development and Planning (Amendment) Bill, 1997.

The Speaker: The Bill is deemed to have been read a first time and is set down for second reading.

THE STAMP DUTY (AMENDMENT) BILL, 1997

Clerk: The Stamp Duty (Amendment) Bill, 1997

The Speaker: The Bill is deemed to have been read a first time and is set down for second reading.

Second Readings.

SECOND READINGS

THE DEVELOPMENT AND PLANNING (AMENDMENT) BILL, 1997

Clerk: The Development and Planning (Amendment) Bill, 1997.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddén: I move the second reading of a Bill entitled the Development and Planning (Amendment) Bill, 1997. This Bill, along with the other Law and the regulations, is the culmination of talks between the Council of Associations and Members of this Honourable House. All Members were asked, and entitled, to participate—some did, some did not.

This Bill basically sets up an infrastructure fund which will be used to provide money for the development of roads and other infrastructure in the island. The rationale behind this Bill is that developments such as hotels, condominiums and commercial properties, and very large houses (those over 4,000 square feet) should make a contribution to an infrastructure fund.

The best example of the failure to do this is presently along the Seven Mile Beach, West Bay Road. We have seen continued development in that area and the result is the very serious traffic problem. If this fund had been set up years ago, then money would have been available to build roads, such as the Harquail bypass, to ease traffic in that area. It is a fund which has been looked at by many past Governments, and this is the first time that we are seeing this type of a contribution to it.

It deals first with the Seven Mile Beach area and the centre of George Town, bordering on the road frontages (which are the commercial areas), bordering within the parcels listed on Eastern Avenue, North Church Street and West Bay Road; then the centre of George Town, which is all commercial. The second area deals with other parts of Grand Cayman and Little Cayman, excluding Cayman Brac.

The Law applies to development for industrial buildings within those areas, commercial buildings, hotels, apartments, strata lots, and houses over 4,000 square feet, or extensions to them. In the Seven Mile Beach area and the Centre of George Town, the amount would be 2.5% of the construction cost of the development.

If we look at a condominium, for example, which costs \$200,000 to build on Seven Mile Beach (and we

are only dealing with the building cost), then that developer would pay US \$5,000 into the development fund. That condo would normally sell for an amount of, say, \$5 million.

There needs to be a further definition for Area 'B' and Area 'C', and an amendment will have to be brought to that effect, but Area 'B' would cover the Cayman Kai area and the Queen's Highway on the sea side. That area is 1.5% of the construction cost. The rest of the island would be .5%. So, if a condominium was built somewhere in Spotts or Bodden Town, or in Little Cayman (but not Cayman Brac), and it cost \$100,000, then they would pay \$500 into the fund. These are small amounts.

In Cayman Kai and East End/Queens Highway, between the sea and the road, it would be 1.5%. So if the cost of a condominium, or a house exceeding 4,000 square feet, was \$100,000, they would pay \$1,500. We are talking about very small amounts compared to what had originally been put forward.

While speaking on this, I need to clarify that coming along with this Development and Planning Law are regulations which will deal with building permit fees, the aim of which is to make the Planning Department pay for itself and to cease the subsidy of it. This fee is what would go into the infrastructure fund.

This fee itself will probably contribute only a very small portion towards the actual cost of dealing with the infrastructure of these islands. I would estimate that this total fund will receive (and it's hard to tell exactly, because it would depend on the amount of applications) probably \$600,000 to \$800,000 per annum. It is not really a significant amount.

I think that since this country has for many years dealt with the infrastructure development out of the general revenue, the time has now come (and it has to be fair) to ask developers in this country to contribute a small amount to the infrastructure of this country—and I stress that it is a small amount, because that is really all it is. Eight hundred thousand dollars would build a very small amount of road in the swamp, which averages over one million dollars per mile. It would take about eight years for this fund to raise the money needed to build the Harquail bypass, excluding what is paid for land compensation. This amount was not accepted by the Council of Associations, who felt that the building permit fee itself was justified. I think it is wrong to have the people of this country funding infrastructure when a fund, such as this, could be set up into which development fees, of a small scale, can be put to assist the country with its development.

The Bill itself has set out that the fund will be administered in accordance with directives issued by the Financial Secretary from time to time. That will naturally consist of the money put into it out of this fund. Developers in the country will know that what they contribute under this will go into a fund which will be used to pay for roads. As I said, it is a small amount. I have no doubt whatsoever in my mind (from the examples we heard of the average profits made on a condominium during the discussions with the Council of Associations) that this

percentage is one which can very easily be borne by developers in this country.

We should not perpetuate the situation of the past where developments have come in (hotels and condominiums).... I would like to point out that we welcome developers. I know from talking to some of these developers that they do not mind contributing to a fund which will be used for infrastructural purposes within the islands. It makes sense, because as the Seven Mile Beach Road becomes more and more congested, the value of the property will go down. There is no doubt that the time will come, if we continue this without the proper infrastructure in place, where property subject to heavy traffic must reduce in value and saleability. Developers look at it positively from the point of view that if money is put in and used for infrastructural purposes, then it will increase the value of their property. That is why developers do not mind making contributions, especially as small as this, into a fund that will be used to build the infrastructure that will ease problems in this area.

The percentages are: 2.5% on the commercial centre of George Town and Seven Mile Beach, and the 1.5% on Cayman Kai and the Queen's Highway, with the rest of the islands at .5%. I wish to point out that the construction cost of building in other areas... for example, if a house costs \$200,000, and is over 4,000 square feet (and it does not apply to houses under 4,000, I want to make that clear) it is 5% outside of those areas—it would be \$1,000. This will not affect 90% of our Caymanians because the small amount will only be on houses that are larger than 4,000 square feet.

The principle of the Bill itself has been the subject of a lot of discussion. I would like to thank the chairman and the Council of Associations for their frank discussions on this. This is the one area left to be dealt with because it was the most difficult area. The Council acknowledged that this Legislature would ultimately have to make a decision in this area—and we have.

While we differ in a small way, this Bill is one that we must pass in the interest of the Cayman Islands. I do not believe it can be left. I know that it will not affect investors in this country, because if we have investors coming in to build hotels or a large office buildings, or condominiums, who are not prepared to put money into the infrastructure of this country, then it is not in the interest of this country to support that type of development. But I welcome investors here, and I know that they will not be affected materially by this small fee.

I want to make it abundantly clear that this is not a development impact fee, which was talked about earlier; this is a contribution to an infrastructure *fund* that will be used to provide funds for roads and other infrastructure on the islands.

I want to give just one other example: Many of the investors coming to this country from abroad are elderly. More often than not, condominiums are sold to them on the basis that we have good medical facilities. But medical facilities cost. I do not think that person would feel that he should not contribute to a fund which would provide

him with proper medical facilities, or a Seven Mile Beach bypass so that the traffic problem could be eased.

This Bill is one that I feel is necessary. I believe that there will be no impact on the investor, because the amount is small. I believe the fund is justifiable. More than that, it provides the first precedent for the segregation of funds that can be used for specific needs, such as the infrastructure of the island.

Every development in this country has an impact. When a hotel is built, we first have increased traffic on the roads because a fair amount of the traffic is rental cars and taxis. We will obviously have more traffic in and out of the airport. Work permits will be granted, therefore persons will be coming from abroad. They, plus the tourists here, will use the medical facilities. Some of those workers may have children, so extra places in the schools will be necessary.

Looking at it in a different way, they do also provide some benefits. Some stamp duty is paid, there are fees paid for permits; but the overall impact on the social and economic development comes with more people. There may need to be more counselling services, extra police—the whole infrastructure could be affected by it.

In today's *Caymanian Compass*, the Council of Associations stated this: **"The Council of Associations strongly believes that the infrastructure of the island needs to be increased and maintained. Long-term infrastructure and economic planning for the Cayman Islands should be any Government's main role. The Council also strongly believes that the developers and visitors should pay their fair share of these costs along with everyone else."** It went on to state that they felt the building permit fees, which I will deal with further on, were at the maximum level.

I would like to point out that they will raise between \$1 million to \$1.2 million. What the building fees put forward by the Council will do is make the Planning Department pay for itself. That is another thing. I don't think we should be subsidising development by paying an extra million dollars for the Planning Department. In fact, we agreed on that principle.

The Council of Associations agreed in principle that developers should pay a fair share. I think where we differ is what that share should be. We believe that it should go beyond the building permit fees. That would pay for the Planning Department, and there would be money put into a fund. Looking at it, the principles have been agreed upon by everyone, it is just a matter of how much to deal with at this stage.

These fees would be in relation to projects that are approved by Planning... (*pause*) I am just trying to find that section.... Let me come back to that point after I find it. I think it is for plans approved after the Law comes into effect.

The position is that the Council of Associations, the Government and the people of the islands agree in principle that there should be some contribution. We are saying that it should go into a fund and be set apart for infrastructural use. We have agreed to that.

I would therefore ask Members to please support this Bill, because if it is not supported, the cost of roads—which this fund would contribute to—will have to be borne by the people of this country. This Bill would seek to have the developers contribute money that can be used rather than having to use money out of general revenue. As I said, it is justified and reasonable. I would ask Members to please support it.

The Speaker: A Bill for a Law to Amend the Developing and Planning Law (1995 Revision), is now open for debate.

The Third Elected Member for Bodden Town.

(3.16 PM)

Mr. Roy Bodden: I rise to offer some comments on a Bill for a Law to Amend the Development and Planning Law (1995 Revision). Let me begin, as any sensible debater would begin, by developing my points of agreement.

It is recognised that we have reached a stage in the development of this country where persons who develop, particularly along some commercial and industrial lines, must bear some responsibility for what I would term the consequences of that development. My further comment in that regard would also be in agreement with the Honourable Minister presenting the Bill in that we are beginning a bit late.

I have always been an advocate of development planning. Indeed, since the 1980s I have been suggesting that we needed to pay critical attention to development planning. At that time it was vastly unpopular, and those who did not like the message tried to kill the messenger. I am therefore happy that many more people, including people who were active in trying to kill the messenger at that time, have now come to their wits and realise the necessity and importance of this.

[Interjection]

Mr. Roy Bodden: Mr. Speaker, I hear a voice saying, "That was you and I." But that was not you and I.

I agree, too, that those persons who fall among the ranks of the ordinary, the average, and the hardworking, should be spared as much as they can be. I shall do my best to cushion them.

I take my departure at this juncture. We should not have to come here in a hurried and apparently disorganised fashion trying to bring this amid some objections and controversy. While the principles are sound, I have to question the timing and the presentation. We cannot afford to ignore that corpus of objection, because it will determine whether these efforts are successful or if they fall by the wayside, consequently affecting our development down the line.

To set up an Infrastructural Development Fund, as it is now being called, is good. But if the calls to reform our process had been heeded, it would have been much easier, and much more palatable, to set this fund up. I con-

tend that if our system of accounting and our budgetary process was based on the accrual system rather than on the cash system, this exercise would be very much more palatable, and a lot easier. But, again, those of us who dared to call for fiscal responsibility—because we foresaw the need to move in this direction—were shot down. As a result, we now have to seem onerous in our position with these Bills and measures.

Some elements are saying that our intentions cannot be pure because we lack the mechanism to do what we say we want to with the money. They object to placing this money in the general Treasury. I hope that at the very earliest convenience, the Government will set the proper mechanisms in place so that distinctions can be made and these funds can be procured to do what they are supposed to do.

The Honourable Minister moving the Bill said that it was the culmination of talks to which we were invited. I wish to make a distinction. I was invited at what my mother terms, the eleventh-and-three-quarter hour. I did not know what had transpired before—and I listened intelligently. But I think that my participation was invited at a very late and inopportune stage. I would like to distance myself from any suggestion that I am part of anything but the principle of this business.

It is easy to sound platitudes, such as "We should not perpetuate the conditions of the past." But those statements should not be borne out of convenience and a now awkward position; they should be borne out of a sincere and forward-thinking, progressive position. I cannot let the opportunity pass to say that there is a sense of poetic justice here. There is a side of me which is saying "I knew it was coming!" You have it—deal with it. Because when people were saying that you should prepare for these kinds of times, they were hounded and called, 'red,' 'pink,' 'white,' and everything else. I will not let the temptation lead me away from my responsible position, which is to say that we should carefully listen and try, as far as possible, to accommodate those people proposing alternatives.

Now is not the time for confrontation. This is the time for cooperation. This development must be conflict free, because the Government's weakness in this presentation was bad publicity, bad timing, crisis management, eleven-and-three-quarter hour efforts. It is not good enough. The time has passed where we can run this country like some little yard mowing business.

If the objections to what was proposed seem surprising, they should not. But they are nonetheless the predictable outcome of a heuristic mind set, which is the result of a peculiar position—that we will deal with the problem when it arises.

I have to say that we should have set up this fund 20 years ago, because that would have been the beginning of significant physical and economic development in this country. That would have been the time when such a fund would have been most easily accepted by developers. It is now difficult to make any kind of exercise like this easy to accept because certain precedents and trends have been set.

If there is one positive factor in this proposal, it is the rationale behind it—which seems to be for those who can afford the bigger, more expensive development to bear the brunt. But the adverse side to that is that sometimes it is from this quarter that the most obstinate objection comes. Certainly, those developers and their representatives are not above objecting, cajoling, and even withholding development.

There is a lesson to be learned from this exercise. That lesson is obvious to those who wish it to be obvious, and it is this: It is high time that we begin to prioritise and plan in this country. It is simply not good management to be caught in the predicament where you have to bring these kinds of measures out of desperation and lock yourself into a situation where there is little to no flexibility for negotiation. It is high time we arrived at the position where when these kinds of measures are introduced, they are prefaced by the requisite public awareness and public relations. Otherwise, it will become an exercise which is confrontational where people chose sides for and against. That is not to say that the exercise will not carry; rather, it is to say that much time and effort will have to be spent negotiating, resolving, posturing and re-defining positions.

I remain to be convinced that the timing of this Bill is appropriate. I remain to be convinced that the thought processes which should have gone into such a Bill were at their most effective. I say again that I have always been a proponent of development planning, requiring developers to contribute to and make amends in terms of infrastructural development which enhances those projects, but the timing has to be right.

I will be interested in seeing the positions on this defined. I am not usually self-congratulatory, but I have to give myself a little credit for being able to discern that a time such as this would come. I am glad that I had the sense to foresee this development. It not only gives me a sense of perspective, but it provides the connoisseur of (should I say?) 'proper planning' and enlightened administration, a sense of perspective and the significance of human blunders which seem to be characteristic of crisis management.

The Speaker: The Fourth Elected Member for George Town.

(3.39 PM)

Dr. Frank McField: Thank you, Mr. Speaker.

After the Minister proposing this amendment seeking to create a fund for infrastructural development spoke, I had the opportunity to listen to the Third Elected Member for Bodden Town speak. I also had the opportunity to reflect upon what it really takes to be a politician. In other words, we have to be able to say 'Yes, I told you so, but nevertheless, you are doing what I said you should do—but you're still not doing it when it should be done.'

Since he instructed me, and while not taking the same road, I would nevertheless like to echo and say that from all the voices crying out and warning about what should be done in this country, I think it is a pleasure to

see that somehow reason has come to roost. I therefore congratulate the Honourable Minister for moving this amendment.

I reflect that he and I come from different sides of the road, so to speak, and I have observed him making considerations that I feel take into account the total country, and not just a particular interest group. I congratulate him for the fact that he stood by the country when it came to the Council of Associations—not the Chamber of Commerce this time, it appears as the Council of Associations. He negotiated for what he believes. Whether or not we can find a better solution than the one the Minister has now put before us is not the question. I believe that time and information will always mean that we could arrive at better solutions to all of our decisions. But life means being practical. At some point we must stop and make a decision because it is the best that can be done at a particular time.

Therefore, I would like to say that I believe this amendment is a good compromise. I agree with the Third Elected Member for Bodden Town—this has come late. But, then again, it has come; and it still has the possibility to do some good. Perhaps if it had come earlier it could have been argued (as it was) that it would have hampered development. But at this particular stage of development, when most people (including the developers) are wondering when we will be able to control development in such a way that it will not ruin the atmosphere for those seeking to purchase the condominiums, and for those coming to the hotels for vacation (and it is not only the Caymanian who is questioning the value of development, it is also the developers, and those people for whom they are providing the amenities), we see that this is not, in fact, a bad time to bring this amendment—this is the ideal time. What is necessary is that we explicitly explain the goodness of this legislation—that it will not only benefit Caymanians who are in need of better and improved roads, but it will also benefit those people who go to bed in their million dollar condominiums because they can wake up knowing that they are in a country full of harmony and decency, because it looks after its own people.

As I said, the Council of Associations, the developers, the architects, the construction people, the realtors—the people who make a profit—will never be convinced that they should lose a profit. The game is to make as much as possible, and not as little as possible, therefore sharing is not necessarily the key word in that particular realm. Government, as a harmonising instrument, must introduce the principle of sharing and caring in that particular realm. The merchants have a message to give us, but we also have a message to give them. When they are talking about arithmetic, we are talking about people. People are more than figures at the end of the day.

I feel that the Government of the day needs to convince them that it has spent good time in conversation with those people; showing them that they are concerned, that they run the country in a proper manner. Nobody wants to frighten away the foreigner or the developer, or those who might want to purchase a condominium. But, certainly, if someone can pay \$1 million for

a condominium—and most times it is not even their first or second home, because they may own a home in Texas or France; and yet we are balancing that with Caymanians attempting to acquire their first homes for \$125,000, a lot of them cannot even qualify. These are the considerations this Government must make, that perhaps the people who are members of the Council of Associations or the architects might not have to because they are not elected by the people.

We are elected by the people who are not only rich, but also by people who are poor, and we must strike a balance in terms of any legislation. It will never seem fair to all groups. No legislation will ever seem fair. Therefore, it is always possible for Opposition to find things wrong with any legislation. There is nothing unique about that. One does not have to be super intelligent to find weaknesses in any legislation. I am going on to explain to the general public that what is happening is that the Government is trying to at least plan for the future in terms of collecting revenue from those people who have sufficient to pass on for the general management of the country.

The problem I have with the Bill is that I believe the fees are not high enough. I feel that the pace of development has been too rapid, and not thought-out and people have been greedy and refuse to pay. One day, pay-back time comes; because all of a sudden we are presented with all of the needs and problems at once.

When someone is buying a condo worth millions of dollars, or planning to spend six months out of the year in the Cayman Islands, the first thing they are going to look at is our medical facility and our communications; at whether or not our planes are flying and our airport is safe; at whether or not our fire department is alert; at the standard of our police. Therefore, Government creates the atmosphere in which the investor conducts business. The people are paying for this atmosphere which is created. All the Government is saying at this particular point is that the Government—which means the people—needs more to come from one particular side of the fence in order to maintain this wonderful balance of social order.

I do not think anybody is setting out to run the investors off. No one is trying to create hardship for real estate dealers. If we look at the real estate industry we find that a lot of these people making good money—\$150,000 per year or more—are not even from here. The real estate person who sets up a company does not pay people a regular salary. They work on commission. So, it is probably easier to set up a real estate company than any other type of business, because less capital is invested in setting up. There are no hourly, weekly, or monthly salaries to pay. These people are making money without a high overhead or big initial investment.

The architects and surveyors are making money. Many of them have come from elsewhere in the world and have made a great living for themselves in the Cayman Islands. God bless them! No one is envious of that. But I think we are now saying that the people who make the money should also realise that they should not always say to us that they are going to transfer all the costs

to the client purchasing the condominium or the hotel or the beach house.

The merchants take the position that every time Government says it needs additional revenue, they will transfer the cost to the consumer; to the extent where the very people Government is trying to create these amenities for, go against the Government's amendments to raise fees because they believe Government's intention is to hurt them and drive away the tourists and developers so that there will be no work. But it is a risk. There is a possibility that even if we put something up by 5 cents a very greedy and inconsiderate person will say they want nothing to do with it and go someplace else.

I think that we are now at a stage in our development where we can pick and choose—and we need to pick and choose people who will help us to maintain our social balance and our social order. People who are not concerned about that can go to Mexico; they will probably be better off. They would probably be better off in places where they are looking for prostitution and drugs. They are not looking for the kind of Christian, law-abiding community we have here. We have something special to offer; and all of us realise that in order to continue to offer that we have to reinvest in that which we are offering.

In business there is wear and tear on the machinery. Therefore, one always has to calculate that his machinery will have to be replaced at a particular time. It is no different in a country: there is wear and tear on the social order—on the schools, on the police force, on all the social structure. My contention is that we are being forced to put the money into a special account, instead of whatever account the Government decides it should go into.

I believe that the people elected a concerned and capable Government. It should know what to do with the money. It should not be held at ransom, where the merchants say it should go into this or that account because it is for road development. All we are doing in this sense is giving into their selfishness. If it is going to improve the road in an area, it will also improve the property value, and therefore increase profits.

All they are saying is that they will invest only if they can invest in themselves. That is not the message. We must invest in the general good government of this country. Government needs to have flexibility when it comes to the use of resources. We need to get those resources into some of those areas as soon as possible because they are the ones we have identified.

As for the concept of Government by crisis, that is something that I have been hearing for quite a long time. Since none of us have been presented with a blue print, and since none of us seem to have it, I think it is always a trial and error thing. I think that we are honest enough to say that we have made mistakes, and we will start all over again.

I will now close by saying that I support this amendment. My only concern is that we will not raise more money from these types of developments, and also I really do believe that Government should have flexibility and be encouraged to use the money wherever that money is needed in regard to infrastructural develop-

ment. It should not just be for roads, it should be for people; it should be for rehabilitation because we have people on drugs, and people who commit crimes and people who are illiterate.

The fact that we have people who are physiologically and culturally dysfunctional in this society is also a result of the rapid physical economic development in this country. Since everything is inter-related, it is always important to have funds in the general reserves for whatever is needed, be it the hospital, schools, football stadiums or swimming pools. We need to have the confidence in ourselves to know that what we do at the end of the day is best for the people. We do not need the Council of Association telling us that unless we lock money up in a particular fund we cannot be trusted to collect those revenues.

I believe that Government should reserve the right to collect those revenues and spend them however Government sees fit. When Government is in abuse of the peoples' power, then the people should re-elect a different Government. Until we have exercised the mandate that the people have given us, we should not be told by the Council of Associations what we can collect, or how.

Thank you, Mr. Speaker.

The Speaker: Would Honourable Members agree to continue on to 4.30, forgoing the evening break?

Does any other Member wish to speak? The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

(4.00 PM)

Hon. W. McKeever Bush: These Bills before the House have had a lot of consideration and debate by the Council of Associations and by Government Members. We have long held that infrastructure expansion comes about because development needs to be contributed to. Some places call it an 'impact fee.'

In our islands, particularly Grand Cayman, continued approval of most development demands that roads, schools, fire protection, parks, and so on, be expanded. This is the dollar cost of growth, which is becoming very hard to fund. Continued building of offices, shops, houses, hotels, apartments and condominiums, etcetera, means that the infrastructure cost will increase. The contribution that Government has to make to put things right continues to be high.

I am in support of the 2.5%, and the other percentage structures for the other areas. As far as I am concerned, we are going in the right direction. We could have started off much higher, but because the father did not treat the child right for 20 years does not mean we have to kill him. I am mindful of the competition from those countries doing everything in the world to draw people and good development. We cannot carry on as if there is no competition and believe that the world and his cousin will continue to flock here all the time. We have to make a provision where the competition does not out-run us. I am satisfied that we are moving ahead, but slowly.

Costs to develop land are very high. We all know that. The cost of running a real estate company is very high. It is not just a matter of selling the property, for instance. There are high attendant costs. One might be able to say that certain agents make good money, but all the costs go to the company. So I need to put that matter straight.

I believe that we have a good thing going. I believe that good people want to come here. In introducing something new, we must move slowly. That is all I will say on the introduction of these fees. It is new, we are making haste slowly.

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

(4.08 PM)

Hon. Anthony Eden: I also rise to support this legislation. There have been comments made about 'crisis management.' Over the years this Government has been in power it has demonstrated its type of management is not by crisis but by consultation with the people who have put it here. When concerns are raised, we take the time to listen. They have said on more than one occasion that this is the first time Government would sit down and reason with them to come to a conclusion where all were satisfied. This is what we have done in this instance.

These proposed fees were not put through immediately because, with all due respect, the Council of Association had some concerns. We met with them, not only in regard to real estate fees and transfer fees, and what we call the impact fee; they had concerns, and we waited until we could talk with them.

We know that we have to do something about the congestion along the Seven Mile Beach area. We know the amount of money we are going to have to spend on the Harquail bypass. If we do not do something about the problems existing there, they will no longer be able to sell those condominiums; because no one wants to go and spend two or three hours on the road trying to go half a mile. I see no problem in increasing this.

Comments have been made about the timing. We may be 20 years late. But over the past five years, we have proven that we will take action when given the opportunity. That is what we have done here. People talked about it, but who did anything about it? What is talk? It was time, and we said that we were going to do something about putting this fee in place, and we have.

It is never too late to do good. That is how I feel about this. We have to start somewhere. The longer we wait, the worse it will get. With the millions, and sometimes billions, of dollars that have passed through this country.... And Government has to bear these expenses!

As my colleague, the Fourth Elected Member for George Town, said: look at the impact on the social structure of this island. If they do not assist us with this, what will happen? Do you mean to tell me that if someone spends \$500,000 to \$1 million on a condominium, he cannot put a few thousand into a fund to try to make

this a better place for all of us to live? I think we have to start somewhere, and this Government has acted responsibly in doing this. I give it my full support.

The Speaker: The First Elected Member for George Town.

(4.13 PM)

Mr. D. Kurt Tibbetts: The Bill we are debating, A Bill for a Law to Amend the Development and Planning Law (1995 Revision), brings with it several (what I would term) 'serious realities' which we are suddenly wanting to get a grip on.

Before I get into the specifics of the Bill, let me categorically state that I have long recognised the difficulty the country faces with its continued lack of infrastructural development. Between 1985 and the early part of 1992, I happened to be one of the members of the Central Planning Authority. It did not take long for me to understand the difficulty I just mentioned.

Just about everyone who has spoken mentioned the fact that this is late in coming. It is very obvious to me that if we continue without addressing this issue, we are in for some bad times. So I am not going to stand here this evening and attempt to not justify the intent of the Bill. The country must understand what we are faced with. Our own affluence continues to be our demise. Everything that we need to do continues to cost more as time goes on. So, the longer we wait to do certain things, the longer it will take to do it and, quite likely, the more desperate we will be to find the money to do it with. I do not have any qualms about the intent.

There are a few things which I think need to be brought to light, and I think we need to be careful in certain respects. Some people are a bit afraid of scaring the investor away with these new additional fees. One can take the view that it may or may not happen, but we must be cognisant of the fact that any attempt to achieve what we know we have to, must be presented as best as possible so that this does not happen.

Let us look at a specific example to really understand the effect of what is being proposed. In the Seven Mile Beach area (and all figures will be hypothetical, but they will prove the point) the developer of a condominium (and we are only talking about condominiums here) has a price that he is willing to pay to develop. Then the purchaser gets an additional price tag, because the developer is not going to absorb these new costs. So the end result product will cost more. Plus, while we are not debating it we cannot leave out the fact that the purchaser (should both of these Bills see safe passage) will also have another additional cost because it is proposed that the stamp duty (transfer tax) be raised from 7.5% in that area to 9%. It is a separate issue, but still very relevant.

Let us say that the developer is building 20 units, and those units average 1800 square feet; and let us also assume that he can build these units (and I am not including the cost of land) for a construction cost of about \$140 per square foot. Assuming those 20 units are built, it will be more than likely that there will be a swimming

pool. That means that he will have to pay the following: Swimming pools: \$1,200; the building permit at \$1.50 per square foot equates to \$2,700 per unit, multiplied by 20 is \$54,000. So we are now up to \$55,200. If he is building at between \$130 to \$140 per square foot and he is paying 2.5% on his construction costs for those 20 units, he is now looking at \$252,000 to be paid into this new fund. To construct those 20 units, his immediate increase in cost is \$300,000, which equates to about \$15,000 per unit. I am not prepared to engage in how that is passed on to the purchaser, because I really do not know the formula. Nevertheless, it will be passed on.

In just that one example, I think we can get a clear picture of what we are dealing with here, talking about condominiums. The question begs: Is that readily bearable, or is it a little bit too much too quick?

There is a school of thought that these units on the Seven Mile Beach are high enough, and that an additional cost of \$15,000 per unit is no big thing. I don't know. Having said all of that, let me quickly say that I am not saying that we do not have to do something, because I know we have to. But, although no one had the will or the guts, or paid close enough attention to the fact that we were getting into trouble for such a long period of time, it does not mean that we must not be very careful in our attempt to correct the problem overnight. That is the only point that I wish to deal with outside of the fact that we need to do something. I believe that if we know we have to do something and we stage the effort over a given time period, it is always more acceptable to those who have to bear the brunt. So my point has nothing to do with not doing; my point is how we do it.

There is another situation which we may think we will not have to address; but let me remind everyone here that in doing what we are today the way it is proposed, I can promise you that nobody facing me is going to come back next year to talk about this again. If I am wrong, hopefully I will live to see that. The point is, Mr. Speaker, that while this is an attempt to correct a situation, it is also a restricting attempt, in my view—because it is going to be a while before we will be able to look at this again.

I say that to say that if we were to think of a process where developers knew that in the first year (and this is hypothetical, I am not suggesting that this is the way it should be) there would be a 1% fee, and in the second year another percent, and maybe for the next few years one-half percent—in doing something of that nature one could put together a situation where people literally knew five years in advance what they were going to be dealing with. I hold the view that at the end of the day the Government could well be in a better financial position with this fund, while at the same time creating less of a bad feeling for those people it is going to directly affect. It's food for thought.

The concept of the Bill is not something that I disagree with. But, personally, my vehicle would have travelled in a slightly different way to achieve what is being hoped for here. I will probably be asked why I did not attend a certain meeting and say all of this. Let me preempt that by telling everyone that I said it at another

meeting and no one picked it up. So that will stop some of you from taking a lot of notes, I guess.

It is still not too late to consider something of that nature, because regardless of who will set it (and I believe I know what is hoped to be achieved), it is possible by going this route that more might be achieved in the long run; but the impact, which might be negative in certain respects, might be lessened.

I have stated my views on the Bill. Perhaps I will get lucky and someone will entertain these thoughts. I will wait to see.

MOMENT OF INTERRUPTION - 4.30 PM
Standing Order 10(2)

The Speaker: It is now 4.30. I will entertain a motion for the adjournment. The Honourable Minister for Education, Aviation and Planning.

ADJOURNMENT

Hon. Truman M. Bodden: Mr. Speaker, I would just like to thank you, sir, and all Members of this House for the kind words of sympathy on the death of my mother. I appreciate that.

I move the adjournment of this Honourable House until 10 o'clock tomorrow morning.

The Speaker: The question is that the House do now adjourn until tomorrow morning at 10 o'clock. I shall put the question. Those in favour please say Aye... Those against No.

AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned.

**AT 4.30 PM THE HOUSE STOOD ADJOURNED UNTIL
10.00 AM FRIDAY, 2ND MAY, 1997**

**EDITED
FRIDAY
2ND MAY, 1997
10.54 AM**

The Speaker: I will ask the Honourable Acting Second Official Member to say prayers.

PRAYERS

Hon. Ivor Archie: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed.

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

APOLOGIES

The Speaker: I have apologies from the Honourable First Official Member who is off of the island.

Administration of Oaths or Affirmations. I will ask Mr. Donovan Ebanks, the Deputy Chief Secretary to come forward to the Clerk's table.

**ADMINISTRATION OF OATHS
OR AFFIRMATIONS**

**OATH OF ALLEGIANCE
Mr. Donovan W.F. Ebanks, MBE., JP**

Hon. Donovan Ebanks: I, Donovan Ebanks, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors according to law. So help me God.

The Speaker: I welcome you to the House, Honourable Acting First Official Member. Please take your seat.

Questions to Honourable Members and Ministers. Deferred question No. 70, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

DEFERRED QUESTION NO. 70

No. 70: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister for Agriculture, Environment, Communications and Works whether there are any plans for the introduction of an Agricultural Show for Cayman Brac and Little Cayman.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: There are no plans for the introduction of an Agricultural Show for Cayman Brac and Little Cayman. However, the Ministry is aware that the Cayman Islands' Agriculture Society has discussed the possibility of hosting a mini-show for Cayman Brac and Little Cayman. The Ministry will examine the feasibility of any plans put forward by the Agricultural Society which may help to promote and encourage agriculture in Cayman Brac and Little Cayman.

SUPPLEMENTARY

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister state whether any invitations are extended to persons in that field on the Brac to attend this annual show?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Many years ago, when I acted as president of the Agricultural Society, I introduced to Cayman Brac and Little Cayman the offer to visit with us especially on our agricultural show days. This was only taken up by one farmer, Mr. Chantilope. To assist with that (and I believe it exists today) his fare was actually paid to come to Grand Cayman.

The Speaker: If there are no further supplementaries, the next question is No. 75, standing in the name of the First Elected Member for George Town.

QUESTION NO. 75

No. 75: Mr. D. Kurt Tibbetts asked the Honourable Third Official Member responsible for Finance and Development to list the contingency warrants issued from September 1996 to date, by way of amounts, and to which Government Departments they were issued.

SUSPENSION OF STANDING ORDER 23(7) AND (8) 11.00 AM

The Speaker: Before I call on the Honourable Minister to answer, we need to suspend Standing Orders for Question Time to continue beyond 11 o'clock?
The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I so move, Mr. Speaker.

The Speaker: Can we have a seconder? The Third Elected Member for George Town.

Mr. Linford A. Pierson: I second that motion.

The Speaker: The question is that Standing Orders 23 (7) and (8) be suspended to enable Question Time to continue. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. STANDING ORDER 23(7) AND (8) SUSPENDED TO ENABLE QUESTION TIME TO CONTINUE.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: Sixty-five Contingency Warrants were issued from September to December 1997, totalling \$5,222,075. These have been covered through appropriations.

The number of Contingency Warrants issued from January to 5th March, 1997, amounts to 81 totalling \$13,193,658. These Warrants have been issued to Departments/Ministries/Portfolios on request. The volume issued in 1997 is primarily to cover expenditure required prior to the 1997 Budget being agreed. A list of the Departments and amounts is being circulated to Members.

SUPPLEMENTARIES

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: I wonder if the Honourable Member can say why no contingencies warrants were done in 1997 for Cayman Brac and Little Cayman?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: The warrants would have been issued under the approval that was given under the Government Motion. There was a contingency warrant issued in April. This goes up until 5th March. They have been given the necessary authorisation to incur the expenditure required for the Brac Administration.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: If she wishes to continue, I will give way.

The Speaker: Thank you. The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Member say if these contingency warrants would include the PWD being in a position to work?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: Yes, the authorisation issued under the Government Motion would have allowed for the maintenance workers in Cayman Brac to continue working. Also provisions would have been made under the contingency warrant issued in April.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: If there are PWD workers not working, it is not because a contingency warrant has not been issued?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: Yes, that is correct.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: If the Honourable Third Official Member would bear with me... I think it was in December that Finance Committee approved some \$47 million prior to budget for (shall I say?) the country to continue operating. Can the Honourable Member say if the total amount of these contingency warrants is over and above that \$47 million?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: These contingency warrants would be embraced within that approval.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: If I heard him correctly, he said that they would be "embraced within that approval." That being the case, could the Honourable Member give a brief explanation as to how the balance of that amount has been distributed among the departments in order for them to function?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: In the first instance, departments of Government would be issued with warrants to cover their quarterly expenditures. On the capital side, Executive Council took a decision as to what capital projects should be pursued up until the Budget being approved. In a few instances the capital authorisations that would have been issued would have exceeded the initial provision that would have been given under the motion that was approved. But that would be contained within the Budget process. So, whatever contingency warrants were issued between January until the approval of the Budget, were embraced within the Budget process.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I understand that these amounts were embraced within the Budget process. But they were not within the \$47 million approved? I was told they were. I want to make sure.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: I would venture to say that of the approvals granted, 98% would have been embraced within the approval that was granted. Only in instances where it would have been necessary to stop work and lay off workers would Executive Council have

given specific approval to continue in anticipation of the excess being covered within the budgeted allocation.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: The last line of the substantive answer reads, "A further breakdown of the above amounts is provided in the attached schedule." I do not see a schedule. Do we have a schedule?

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I will have to apologise to you, Mr. Speaker, and to Honourable Members. I have the schedule, but it has apparently not been circulated to Members. I just took it for granted that the schedule was attached as a part of the answer which was circulated. This can be made available to Members.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Pardon the pun, Mr. Speaker, but I think that the schedule is very important. While some of the supplementaries have been answered, I would certainly not like to pass up the opportunity to examine the schedule in order to ask more supplementaries. Maybe we could go on until such time and come back to that question?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: The schedule that shows the contingency warrants that were issued to departments was attached as part of the question. The schedule itself makes reference to a further breakdown which takes this information to a more detailed level. It shows the various classifications and sub-heads. This can be made available to the Honourable Member. I do not think that it will add any greater clarity to the information as set out in the main schedule.

This shows, for example, the Internal Audit Department was given a sum of \$18,856; and on the 8th of October, 1996, warrant number 66 was issued. It also details the various warrants comprising this total. It does not give specific descriptions in terms of the nature of the expenditure. It just shows the various sub-items that would have accumulated into that overall total.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: To display the trust that I have in the Honourable Third Official Member, I have taken note of what he said, and I therefore have no further supplementaries.

The Speaker: If there are no further supplementaries, the next question is No. 76, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 76

No. 76: Mr. Roy Bodden asked the Honourable Minister for Tourism Commerce and Transport what are Government's plans regarding the use of the taxi rank off Thomas Russell Way.

The Speaker: The Honourable Minister for Tourism Commerce and Transport.

Hon. Thomas C. Jefferson: It is intended to use the taxi rank located off Thomas Russell Way as a holding area for taxis and tour bus operators who now queue on South Church Street waiting to collect disembarking cruise ship passengers. However, the implementation of such a system will be based upon recommendations made by the Public Transport Board in consultation with Government, as part of an overall action plan in respect of public transport.

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister state if there have been any ongoing discussions with the taxi drivers who will be made to use this property with regard to how, and if, it will work?

The Speaker: The Honourable Minister for Tourism Commerce and Transport.

Hon. Thomas C. Jefferson: The Public Transport Board has not made a recommendation as yet on this particular matter. I am unable to make contact with anyone until that recommendation comes. When it comes to Government we will then begin discussions.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: If the recommendations have not yet been presented by the Public Transport Board, can the Honourable Minister tell the House how it is that he is so certain they will recommend the use of this facility?

The Speaker: The Honourable Minister for Tourism Commerce and Transport.

Hon. Thomas C. Jefferson: This exercise started in 1990 when a previous Government bought the property. In April 1996 we ended up vesting in the Port Authority a piece of property that is valued in excess of \$129,000, so I am fairly sure that the Government will make use of this facility shortly.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Is the Honourable Minister stating that it has now taken him almost seven years to make a decision on an issue decided back in 1990?

The Speaker: The Honourable Minister for Tourism Commerce and Transport.

Hon. Thomas C. Jefferson: No, Mr. Speaker, I am not saying that at all. It was only in November 1996 that this Minister was responsible for transport. But if the Third Elected Member for George Town wishes to assess his performance—given that it was brought in March of 1990—I will leave that decision to him.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: In the substantive answer, the very last paragraph reads: "**However, the implementation of such a system will be based upon recommendations made by the Public Transport Board in consultation with Government, as part of an overall action plan in respect of public transport.**"

I understand what the Minister said about having discussions with the taxi operators. I wish to know if that is exactly how the decision process will take place; or do I have an undertaking that the taxi drivers will be part and parcel of the decision-making process?

The Speaker: The Honourable Minister for Tourism Commerce and Transport.

Hon. Thomas C. Jefferson: I believe that the majority of the people operating in the Cayman Islands know the way Tom Jefferson works and operates. Obviously, if we are going to involve taxis in a movement from where they are now queuing to somewhere else, discussion will have to be held, and that will be done.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Is the Honourable Minister stating that the policy being followed was to first build a taxi rank on Thomas Russell way and now he is going to seek the recommendation of the Public Transport Board to see if they will allow him to open it up?

The Speaker: The Honourable Minister for Tourism Commerce and Transport.

Hon. Thomas C. Jefferson: I give the Third Elected Member for George Town 'A' for effort, but I do not believe that my answer indicates anything of that sort. I believe that the way in which we are handling the process is that my Ministry never built the facility to begin with. It

was vested in the Port Authority for which I hold responsibility since March or April 1996. Any assessment of that should bear in mind that shortly after that period of time all of us in this House got involved with the election process.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister tell the House when we might reasonably expect this facility to be put to use? Three months from now? Six months, or maybe a year from now?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Mr. Speaker, with the best of intentions, I am not going to commit myself to weeks. I think it is important for us to hold the discussion, as the First Elected Member from George Town was pointing out and asking questions about a while ago, and I believe that our intention is to put it into operation in 1997. I am not going to say which month, or which week.

The Speaker: If there are no further supplementaries, the next question is No. 77 standing in the name of the Fourth Elected Member for George Town.

QUESTION NO. 77

No. 77: Dr. Frank McField asked the Honourable Acting First Official Member responsible for Internal and External Affairs how many work permit applications have been received from performing artists since the new Government directive regarding the admission of these performers was issued, giving (a) the number of applications approved; (b) the number of applications refused; and (c) the nationality of the applicants.

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: The number of work permit applications received from performing artists regarding the admission of these performers is 277. The number of applications approved was 271. The number of applications refused was six. These applications were for two performances. The nationality of the applicants refused was Jamaican.

SUPPLEMENTARIES

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Can the Honourable Member state if there is an understanding that promoters can advertise their event before their application has been approved?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: I know of no such understanding. I assume the Member is alluding to an understanding between the promoter and some agency of Government, presumably the Immigration Board. Obviously, promoters are free to advertise as they wish; but I know of no understanding to which the Immigration Board, or any other agency is a party.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: I would like to ask if the situation for obtaining of police records in Jamaica, which is now taking longer (and this being a part of the application process) is causing any delay in regard to these functions?

The Member looks puzzled. Let me repeat that: Can the Member say if there is a delay in the process because of the new directives, or is the Immigration Board acting, in some cases, without having the full requirement—in other words, the work permit? Is there some type of agreement where people can begin to advertise without having all of the necessary paperwork completed?

Just to explain that a little bit more: because of the length of time it takes to get a police record there is a delay. Is there an informal attempt to work out something to get it to flow a bit easier?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: I do not know of the directive in relation to this category of applicants having contained any special requirement in relation to police records. Those are ordinarily required in relation to that category of permit. There was certainly a requirement for tapes of performances, but I do not know of any special requirement in relation to police records. In any case, that would simply impact when the promoter can complete and submit an application.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: I am not sure if the Honourable Member said there was no police record requirement for these types of applicants.

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: What I said was that the directive that was issued in relation to applications for performers did not include any special consideration in respect of police records. There is a requirement for submission of video tapes of performances. But I know of no requirement in relation to police records.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Thank you for letting me continue, it is not that I am trying to be difficult here, I just want to get some clarification. The situation with performers is slightly different in that arrangements have to be made with the performers, then promotion has to be done.

I am wondering if there is an awareness of all that is involved? I am asking whether the Immigration Board, or the Chief Immigration Officer, is giving consideration to the length of time it takes them to obtain a police record, thus delaying the whole process of allowing promoters to begin to at least advertise their product before the actual grants are given—in other words, what we call granting permission “in principle”?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: I can say that I am aware that the process of obtaining police records in some jurisdictions, including Jamaica, is a lengthy one. I know of no arrangement that the Immigration Board has entered into to give any special dispensation to applications of this category in relation to police records. Obviously, it is a nationality from which we receive many applications.

I can inquire as to whether there is any arrangement, or any consideration being given, and let the Member know.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Thank you, Mr. Speaker, for allowing us to clarify this situation. I would just like to ask if the Member would inquire into this since it takes such a long time to get the police records in Jamaica these days, and maybe there could be some understanding that the promoters could begin, at least in principle, to advertise the products at their own risk, and that there would be no attempt by the Immigration Department to discourage this.

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: Yes, Mr. Speaker. I will make those inquiries.

The Speaker: If there are no further supplementaries, the next question is No. 78, standing in the name of the Fourth Elected Member for George Town.

QUESTION NO. 78

No. 78: Dr. Frank McField asked the Honourable Acting First Official Member responsible for Internal and External Affairs if the Forensic Laboratory at the George Town

Hospital will be staffed with Caymanians and, if not, from where will the staff be recruited.

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: The positions will be advertised locally, thereby enabling qualified Caymanian Forensic Scientists to apply. If such recruitment fails, then the positions would have to be advertised overseas. A decision to recruit from overseas will not be made until local recruitment has taken place. This is a matter for the Public Service Commission to consider.

The Speaker: If there are no supplementaries, the next question is No. 79 standing in the name of the Fourth Elected Member for George Town.

QUESTION NO. 79

No. 79: Dr. Frank McField asked the Honourable Third Official Member responsible for Finance and Development to state the reason for including members of the Legislative Assembly in a Government pension scheme with Civil Servants, but not covering them with the same or similar medical benefits as those enjoyed by Civil Servants.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: The Honourable Members of the Legislative Assembly are not in the Government Pension Scheme with Civil Servants, but covered under the Parliamentary Pensions Law (1995 Revision). The serving Members of the Legislative Assembly do not receive medical benefits as the Health Services Authority Law, 1991, and the Health Services Authority (Fees) Regulations 1991, which allowed this benefit, were repealed by the Health Services Authority (Dissolution) Law, 1993.

SUPPLEMENTARY

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Member state if a serving Member of Parliament was a veteran, would he receive medical benefits?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: I am not in a position to give an answer to that question. This is a matter which will have to be taken up with the Honourable First Official Member having responsibility for matters pertaining to the Legislative Assembly.

The Speaker: If there are no further supplementaries, the next question is No. 80, standing in the name of the Third Elected Member for George Town.

QUESTION NO. 80

No. 80: Mr. Linford A. Pierson asked the Honourable Acting First Official Member responsible for Internal and External Affairs if there is a Caymanian understudy to fill the position of Chief Education Officer.

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: There is no Caymanian understudy to fill the position of Chief Education Officer at this time.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Can the Honourable Member state if there is still a policy in place for Government to Caymanianise the Civil Service where possible?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: Yes, there is.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Member state if in that department there is such a post as 'Deputy'? If not, how is the chain of command organised at present?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: My recollection is that there is no deputy. There are a number of senior... or the next level of post after Chief Education Officer is termed 'Senior Education Officer Post.' I stand to be corrected on that.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: If that is the case, how is it possible for there to be a Caymanian understudy to take up that post at any point in time?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: I do not think it necessarily follows that we have to designate a 'Deputy' post in order to designate an individual as an understudy. The Permanent Secretary of the Ministry of Education, to whom this Head of Department reports, is actively seeking to identify an understudy and will have to do so within the next 12 months as the current appointment is on a two year contract and there would need to be a reasonable period of understudy and overlap.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Does that mean that if, and when, a person is identified to be that understudy, that the person would still be doing the same job that he/she is doing now and understudying on top of that?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: I cannot say how the Permanent Secretary and the Head of the Department will see best to redistribute the menu of responsibilities of the understudy when that person is identified. I would simply expect that if the intention is to understudy, those activities that support that would be given priority, and in all likelihood other responsibilities would have to be distributed to someone else.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: My substantive question to the Honourable Member was if there was a Caymanian understudy to fill the position of Chief Education Officer. His answer was no. My supplementary to him was; If a Government policy is still in place to Caymanianise the Civil Service. He said there is. There seems to be some conflict in his answer to these questions. I now wonder if he is in a position to state whether there are any Caymanians qualified or being trained to fill the position of understudy to the Chief Education Officer?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: I think I also said that the Permanent Secretary was seeking to identify a suitable person. If I had information of such a person being trained, that is the answer I would have given the Member.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Is the Honourable Member saying that of all the Caymanians in Education for all of these years at the time of recruitment for the present Chief Education Officer there was not one to be found?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: I would hope that all I am saying is that at the time of filling this post the person who was appointed was considered the most suitable person to appoint. It is certainly true that the Education has produced a lot of talent—a lot of which has migrated to other areas of the Service. All I can say is that at this time the person who was appointed was considered the best person to appoint.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: Can the Honourable Member state if prior to the appointment of the Chief Education Officer, the position was advertised? Is so, were there any qualified Caymanian applicants?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: I do not have information with me regarding the recruitment process, but I would be happy to provide the Member with an answer to that question.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: I would appreciate that.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Member state, based on all that has been said in regard to the question, if a Caymanian is expected to be identified? If there is no Caymanian presently qualified, is there thought being given to take someone and bring them to that point? I feel it has to be said because if that is not done, the situation will perpetuate and we will find contracts being renewed over and over with nothing being done. This is where the problem lies in other areas, as well. I am asking for some assurance that it does not re-occur.

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: I do not want to try to predict the conclusion that the Permanent Secretary will come to. I am optimistic based on the talent that the department has produced over the years, that she will be able to identify someone who, if not ready to immediately undergo, will be a potential candidate further down the line.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Member state if there has been a breakdown in the system seeing that post was filled by Caymanians?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: I would not agree that there has been a breakdown in the system. I think that if you look at the people who have moved out of that department they are able people who could have, perhaps, headed it. All of those people have moved voluntarily. I think we have a situation that when this current vacancy arose, it was felt by the Commission and the Governor that the individual who was appointed was the best person to fill the post.

As I said earlier, I really do not know who the other candidates were. I would not agree that it is necessarily a breakdown. If we could keep people there until we needed them, then yes, we could have filled it indefinitely. Obviously that is not the way it works.

The Speaker: If there are no further supplementaries, that concludes Question Time for this morning.

Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 11.48 AM

PROCEEDINGS RESUMED AT 12.25 PM

The Speaker: Please be seated. Government Business, Bills. Continuation of Second Reading debate on the Development and Planning (Amendment) Bill, 1997. The Third Elected Member for George Town.

GOVERNMENT BUSINESS

BILLS

SECOND READINGS

THE DEVELOPMENT AND PLANNING (AMENDMENT) BILL, 1997

(Continuation of debate thereon)

Mr. Linford A. Pierson: Mr. Speaker, I rise to make my contribution on the Development and Planning (Amendment) Bill, 1997.

The amendment contained in Part V(A) of a Bill for a Law to Amend the Development and Planning Law (1995 Revision) is far-reaching, and introduces a brand new concept to the revenue enhancement measures and structure used by successive Governments of the past.

Part V(A), which deals with section 34(a), states: **“34A. (1) There is established an infrastructure fund for the purpose of providing funds for development of roads and other infrastructure in the Islands.”** Part

(2) states: “(2) The fund shall be administered in accordance with directions issued by the Financial Secretary from time to time....”

Before I continue, I wish to question exactly what is meant by “directions issued by the Financial Secretary from time to time....” What type of directions are we looking at? Are we going to receive one set of directions this month, and then, by a stroke of the pen in Executive Council, have a change in two month’s time? I think that the Mover of this Bill needs to explain precisely what he meant when he said that “the funds shall be administered in accordance with the directions issued by the Financial Secretary from time to time.”

I am amazed that this Bill is being brought to the House at this time, especially when we recently heard that the Government had so much profit in its coffers. I believe the exact amount we heard of was \$60 million. I have to ask why there was such a rush (so that even Standing Orders were suspended to ensure its passage) to bring these tax measures? Because this is a brand new concept, I am disappointed that Government did not see fit to allow more time for us to study this amendment.

The Motion seeking approval was received in the Clerk’s office on 1st May, 1997, and the Bill was introduced at the same time—thus, severely limiting the period of notice under the Standing Orders from the 21 days normally given on public Bills to one day. Before I am accused of giving the wrong information, I wish to make specific reference to Standing Order 46. It states: **“If a bill complies with the requirements of Standing Order 45 (Examination of bills) the Clerk shall cause the text thereof, an explanatory memorandum, to be gazetted as soon as possible and shall also send copies of it to reach every Member not less than 21 days before it is proposed to be read a first time.”** I think it is therefore reasonable to state that insufficient time was given on this Bill.

As regards the comment made by the Honourable Minister piloting the Bill (and I must say here and now that he is a gentleman for whom I have a lot of respect), that an opportunity was given to MLAs to meet and discuss the draft Bill at a recent meeting which Government held with the Council of Associations, I wish to make it quite clear that I was not informed about it until the meeting had been called for about 20 minutes. I asked the young lady who called me to come to the meeting (and she apologised for the late call that I received) if it had started yet, because I was busy doing something on my computer. She said, “I’m sorry, but it started about 20 minutes ago.” I then asked her to extend my apologies to the chairman. I am making it very clear that my non-attendance was through no fault of my own. I received no invitation to the first meeting held with the Council of Associations, and I do not believe that my Opposition colleagues received one either.

Nonetheless, I believe that the principles and objectives of the Bill are not all bad. However, the scope of the areas affected leaves me with certain concerns.

I wish to also make it clear that I have no major problems with the imposition of certain infrastructure fees

within certain designated areas on the West Bay strip which have been designated on the registry map. I like to refer to that area from the cemetery in George Town, to the cemetery in West Bay. However, I fail to see the reasoning behind the increases in other areas of the island, more specifically referred to as area ‘B’, and area ‘C’.

It can be seen that the areas on the map on the West Bay strip are in an area that is already heavily developed. The whole idea of having impact fees levied on those areas will have a dual effect. Perhaps the most important effect would be that it would decrease, or keep at the present level, the amount of traffic on that road. But it would have a dampening effect on developers wishing to further develop in that area.

The other effect of this is that they will no doubt move into other areas of the island which would benefit more from this type of development, such as the eastern districts. If this Bill for infrastructure fees had been directly related to this particular area, I would have found it very difficult to stand here and criticise it in any way. But to extend this to other areas where we are already trying to encourage development is somewhat foolhardy.

The collection of these fees is by way of what is called a ‘Building Permit.’ Having looked at the regulation, and noting the level of fees that will be collected, I find the proposal contained in the amendment somewhat of an administrative nightmare.

I would like to make reference to section 5 of this amendment Bill which gives the definition of ‘construction costs.’ It reads: **“(a) ‘construction costs’ in respect of a development includes the cost of preparing land for development, mobilisation costs; professional fees relating to the construction including the fees for architects, quantity surveyors, surveyors and attorneys-at law, the costs of labour and materials to be used in the construction of a building with its fixtures, the costs of installing plumbing and electricity facilities and such other construction costs as shall be determined by the Authority who may require an applicant for planning permission to provide such evidence or information as the Authority considers necessary to make that determination.”**

Mr. Speaker, I respectfully submit that this will not work. It is an administrative nightmare. Who is going to value all of the work? Is this going to be done through the Planning Department? How can one quantify the professional fees up front? This is going to be in the permit application. How will these fees, in particular the professional fees, be quantified up front? The professional fees are spread over years, and are impossible to identify up front.

What if the Authority goes to a legal office and wants to get certain information on demand? What happens to the Lawyer/Client privilege? What happens to the confidentiality? Will the Authority demand that these professional offices involved open up their books for scrutiny?

This Bill has not been properly thought out. Is Government going to ask for accounting records to confirm the fees? Will the special interest groups be assessed lower development costs than someone the Government

does not favour? The larger contractors will be at a disadvantage over others as their overhead is generally much higher. This Bill is setting up a situation where the fees will be at the discretion of the Planning Department.

As alluded to earlier, the Financial Secretary will have the power to vary the amounts in the Bill from "time to time." Notwithstanding the honesty and integrity of the holder of that post, it appears that with no further legislative review these fees could be doubled or tripled. The infrastructure fund is actually proposed as a part of Government's general revenue.

The Bill calls for payment up front on all costs. How is that possible? While we want fees up front, this is not possible with the proposed Bill, as most costs will not be known for years—perhaps, not until the end of the development period. The proposed fees are based on total cost instead of square footage or other method of calculation. Perhaps it would have been better had Government considered that this fee would have been collected prior to the issuing of a Certificate of Occupancy, and that it would have been based on a well established and recognised valuation from a quantity surveyor selected by Government.

When this Bill becomes Law, the possibility exists that all architectural drawings and drafting will go off shore, and all quantity and cost estimating will go off shore. Some legal services may even go overseas, as developers do their contract preparation and review off the island. The cost of this will never be revealed to Government, and all of these local industries will experience a loss in business. There is currently no legal protection for the architecture and drawing profession on the island.

The plan is to also add building permit fees to developers, the scope of which has not yet been dealt with.

I know that many comments have been made about the Council of Associations. I am not here as their advocate, but I recognise that they represent a significant cross-sector of the working population of these islands. Any Member of this Honourable House who ignores that fact is acting in a somewhat naive manner. While we do not have to comply with the bidding of the Chamber of Commerce, or any other group (whether we term them a special interest group or not), I feel that with the understanding that we have been put into this Honourable House by the people of this country, we should start listening if we are not already doing so.

There is often the mistaken view that increased taxes equates with increased revenue. This is a fallacy, as can be seen from the positive results of taxes on Cayman Brac. This was even spoken of by present Ministers of this Government back in 1990 when the Hospital Loan was brought to this Honourable House.

Mr. Speaker, with your indulgence, I would just like to make a quick reference to the *Hansards*. This is what the present Honourable Minister for Tourism had to say about that. He was then the Financial Secretary. He said: **"To give the discussion an air of completeness we must pull the two issues discussed, under the general heading: 'The general economic effects' of the changes in the fee increase. There will be three**

principle economic effects of the increases in the rates suggested, plus some subsidiary effects" Then he gave them, as follows: **"(1) An increased withdrawal of money from the floor of national income into the economy; (2) the fee change multiplier effects; (3) the public spending multiplier effects."** Then he said: **"Dealing with (1), that is, the possible money withdrawal effects of the fee increase, all forms of measures designed to increase Government revenues represents a withdrawal of money from the 'circular flow' of income in an economy. If the suggested increases fall mainly on private sector business firms, then a larger part of the money earned by these firms from their sales of goods and/or services will not be available to be passed on to the employees as increased wages or salaries or to be used for further business expansion or new investments."** It is a pity that that Honourable Member did not use the same reasoning when this Bill was coming to the House.

He continued to say: **"If the increases fall mainly on individuals, either directly or indirectly, then a larger part of their earnings received will not be available to pass back to business firms in the form of consumption purchases. This is one of the fundamental reasons that most people tend to be politically, as well as economically averse to most forms of revenue increases."**

Mr. Roy Bodden: He was the Financial Secretary....

Mr. Linford A. Pierson: He also says, and this was the Financial Secretary, **"The withdrawal of money from the flow of national income through increases in the fee structure will initially reduce the amount of money flowing back and forth from businessmen to individuals... But by how much will national income initially fall as a result of the amount of money withdrawn from the economy via these increases..."** is a question. [*Hansard* 11th July, 1990]

I know that when I am through there will be no problem getting someone to speak. But I felt that I had better make reference to what some of these Members said in the past, before they decide to get up and criticise what I am saying.

Mr. Roy Bodden: Hear, hear!

Hon. Thomas C. Jefferson: You were in Executive Council in 1990. (*Some Members: Laughter.*)

Mr. Linford A. Pierson: The Members of Executive Council during that period of 1988 to 1992, included me. The Honourable Thomas Jefferson was the Financial Secretary.

The Honourable Truman Bodden, who is now Minister for Education, was a Member of the Backbench at that time. Here is what he had to say: **"The Government has mentioned that they had certain options with bringing this tax measure and the options were: 1)**

To introduce more efficient systems for collecting existing fees or, 2) Reduce existing or proposed expenditure, or 3) To increase the level of existing fees; or 4) To introduce new revenue measures. I submit the fourth one, at least as far as it impacts on the people new revenue measures, I think this country has exhausted about all of the indirect revenue measures it can do." [*Hansard* 13th July, 1990]

Mr. Roy Bodden: Read that again.

Mr. Linford A. Pierson: That Honourable Minister, who is now piloting the Bill, repeated those words back in 1990. He said: "...this country has exhausted about all of the indirect revenue measures it can...." How he can now bring this Bill—which is going to exacerbate that situation—is beyond me.

I am not finished with him yet. He continued: "So the choice between reducing existing or proposed expenditure, or increasing taxes on existing fees, the Government has chosen to increase the levels of the existing taxes." Just as he is doing now, Mr. Speaker.

Mr. Roy Bodden: Preach, preach!

Mr. Linford A. Pierson: He goes on to say: "I want it to be made abundantly clear that when you are dealing with a tax package of this magnitude [that was for \$10 million, Mr. Speaker—and they have already collected some \$14 million for this year, and that does not include these impact fees!] He said: "I want it to be made abundantly clear that when you are dealing with a tax package of this magnitude for the Government to totally reject the option of decreasing existing or proposed expenditure has got to be a situation where there is a total disregard for the hurt that this is going to put on the people of the Cayman Islands."

Mr. Speaker, one should not blow hot and cold at the same time.

Mr. Roy Bodden: Tell him!

Mr. Linford A. Pierson: The Minister piloting this Bill was warned about increasing the taxes in this country. Now he is the one proposing it!

Mr. Roy Bodden: Hear, hear!

Hon. Thomas C. Jefferson: Your cheerleader is doing well!

Mr. Linford A. Pierson: He continues to say: "It comes back to the same problem that we have seen throughout, that Executive Council must have its way and it must spend the peoples' money as it wishes and to such an extent as it wishes on projects which we, the Backbenchers [he knew how it felt then, but he's forgotten] say are exorbitant and the money

could be better spent doing substantially the same job in a much cheaper way." That was what the Honourable Minister now piloting the Bill said.

Mr. Roy Bodden: The chickens have come home to roost.

Mr. Linford A. Pierson: I will read a little bit more of what he said, and then I will turn to the rest of my debate. He said: "There is a traditional and accepted principle that Governments during a boom period should save and their spending should be done during the time of a recession."

This is one of the greatest boom periods this country has known, yet they are spending, and spending, and spending, like there is no tomorrow! What are they going to do in a recession? He said: "That makes good sense because in a boom period Government is in a position to reduce and cool off the over-heating in the economy by holding back on its large projects and then when a recession comes, using funds to spend during that period which would assist people that may be unemployed at the time."

We are now dealing with increased taxes in this country, so any reference to the *Hansard* is in order, regardless of any grumbling I hear in this House.

(*Interjections*)

Mr. Linford A. Pierson: He also said: "Secondly, excessive heavy spending during a boom period is going to have very serious effects on Immigration, the number of work permits, the number of people in this country who are coming in and as I have just pointed out, the number of Caymanians to foreign nationals working in this country is nearly equal." [*Hansard* 13th July, 1990]

The principle still remains. That has not changed. I would respectfully let anyone who may interrupt me know that if they have not already had a chance to speak, they will.

Mr. Roy Bodden: True, Honourable Member, true.

Mr. Linford A. Pierson: As stated earlier, there is often the mistaken view that increased taxes equates to increased revenue—not so! That is not the case.

I also mentioned that Cayman Brac is experiencing a boom. I wish to congratulate the Government...

Mr. Roy Bodden: Don't do too much of that, now.

Mr. Linford A. Pierson: ...for the efforts that they have continued...

(*An Hon. Minister: Thank you.*)

Mr. Linford A. Pierson: ...to try and develop Cayman Brac. But I want to remind them that a lot of the infra-

structure was already put in place by the 1988 to 1992 Government.

(Some Members: Laughter)

The Speaker: Would this be an opportune time for the luncheon break?

Mr. Linford A. Pierson: Yes, Mr. Speaker.

The Speaker: Proceedings are suspended until 2.15 PM.

PROCEEDINGS SUSPENDED AT 1.02 PM

PROCEEDINGS RESUMED AT 2.59 PM

The Speaker: Please be seated. The Third Elected Member for George Town, continuing.

Mr. Linford A. Pierson: Before the break for lunch, I touched on the advantage of a reduction in fees, and used Cayman Brac as a good example. Since certain fees have been reduced there, it has been reported that the island is doing very well economically.

I was hoping that we would get out of here by 4.30. As you can see, we are just now starting at 3.00, so that is very unlikely. However, if the people speaking after me make it short, we should be able to get out of here by 4.30. (laughter)

The advantages of a reduction in fees in the eastern districts would also have made that an attractive area for new business ventures. It would have encouraged more people to go in there and work, and the residents of those areas would have been able to find employment there. That would have been one advantage. Another major advantage would have been a reduction in the traffic congestion on the roads from the eastern districts. There are many advantages to decreasing revenue, and also reducing expenditure. If consideration had been given to reducing the fees in the eastern districts I believe that major advantages would have accrued to that area.

We do not want to adopt the 'soak-the-rich' attitude. That mentality has destroyed a number of countries in many of our neighbouring Caribbean islands. We saw what happened in the 1980s in the Bahamas; we saw the almost economic demise of Jamaica and other places. We should learn from those experiences.

It is very easy for some of us to get up in this Legislative Assembly and criticise the people who make the wheels of our economy turn. The members of the Council of Associations are such people. We should be very careful when we get in here and totally disregard the input those people make to our economy.

Much of another Bill coming before us could have been dealt with simultaneously with this particular Bill—that is the Stamp Duty (Amendment) Bill. Of course, I cannot debate that now because it is not before the House. Without anticipating the Bill, I wish to say that since it is going to cover much of what is already before

us, it would have saved this House much time and effort if the two Bills had been taken at the same time.

What is needed at this point in time is a proper fiscal and economic plan. I am very pleased to hear from the Honourable Financial Secretary that such a plan will be put in place. It will avoid the need to manage (and I know this word is not much liked in this House) by 'crisis'. When the Budget is being prepared there would be proper guidelines telling the people involved—the Financial Department, the Financial Secretary, and others—the parameters within which they are allowed to work. That would take into account both the revenue and the expenditure sides of the Budget. We would not have a situation where tax measures are brought to the House, and then withdrawn, with many weeks wasted while waiting to have them adjusted.

I was criticised for saying that the Government should have consulted with the Council of Associations prior to bringing those measures to the House, rather than having to do it after the fact. I stand by those comments. I do not wish to even make direct reference to where that criticism came from as I do not regard it as important.

There are three proven methods to improve the bottom line: They are (1) to increase your taxes, your revenue; (2) to reduce expenditure; (3) or a combination of both. Many times, especially when the country's resources are stretched, it is prudent to consider whether we should spread that expenditure over a longer period.

I was recently having a look at some correspondence on the Cayman Islands. It was written by *The Offshore Business News and Research Group*. This is a very widely circulated paper. I was amazed to note that the Cayman Islands is already regarded as the most expensive area to do business in the Caribbean. Increases in taxes like this will only exacerbate that already bad situation. When this article was being written, it was felt that the impact fee would have been withdrawn because it was noted that many developers had already withdrawn their plans for any further development.

It is important that we, as legislators, look at both sides of the coin. It is easy for us to get up in here and pontificate, using a lot of big words; but that does not help the wheels of the economy to turn. We, sitting in here, have very little to give to the economy of this country. It is the people within the Council of Associations, and other places we are criticising, who make the wheels of this economy turn—not the politician who sits in here criticising for the sake of criticism.

Mention was made by the Mover of the Bill that it is necessary to provide funds for, inter alia, the Harquail bypass. I wish that another example had been used for justification, because, in my humble opinion, the Harquail bypass is going to create more confusion than help. I want to see what is going to happen in the evening when traffic is returning on the West Bay Road and everybody is trying to exit onto West Bay Road. Are we going to put a traffic light there? That is not the topic of discussion. I am just making the point that it was a bad example for justification of these increased fees.

Where are we financially? Right now we should be trying to save every penny we can. One good example appeared in an article in the 30th April issue of the *Caymanian Compass*, captioned, "US Law Change Could Affect Cayman Funds Industry." While I have not yet had an opportunity to discuss this with the Honourable Financial Secretary (I will do so), I am concerned that while things may be nice and rosy now, they may not continue so forever. We have to be very careful about the level of expenditure in this country.

We were also told that the new fee (that is, the infrastructure fee) is different from the impact fee—but we were not told in what respect. My position is that a rose by any other name is still a rose. I believe that the infrastructure fee is just another name for the impact fee.

We need to listen to the public. The public put us in this House to represent them. We may criticise the Chamber of Commerce and the Council of Associations as much as we want, but we should remember that much of what they say is just an echo of what is being expressed by the general public.

Perhaps Government should consider spreading the expenditure. Perhaps they should consider whether or not this Bill should really go forward without further study. I made the point this morning that it is going to be an administrative nightmare. They should consider if it is necessary to rush this Bill through at this point. I know they need the money—and I also know there was no such thing as \$60 million profit—but that is no reason why we should pass legislation which could be detrimental to this country. With the 1997 National Budget of some \$255 million, each person in this country—a population of 35,000—has a burden of some \$7,000 on his shoulders—not to speak of the public debt!

I would admonish each of my fellow legislators to tighten the reins, to cut back on the spending; I ask the Honourable Minister for Education, Aviation and Planning, to heed the advice he gave to the Government in 1990.

Mr. Speaker, I promised you when I started that I would not be long, because we need to get out of here by 4.30. So, in closing, I will say with all honesty, that if the Government would see fit to reduce the fees on the eastern districts and other areas designated in areas 'B' and 'C', and would also produce a more reasonable and acceptable way of collecting the permit fee, perhaps my position could be different. As the Bill stands at present—even though I accept that the principles and purposes of the Bill are not all that bad—I feel that the scope of this Bill is unacceptable and will only create confusion and hardship to the people of these islands. Therefore, I am unable to support this Bill.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

(3.15 PM)

Mrs. Julianna O'Connor-Connolly: I rise to thank the Honourable Mover of this Bill, and his colleagues, for

once again illustrating their genuine concern and commitment to jump-starting the economic situation as it particularly relates to Cayman Brac (and, to a lesser extent, Little Cayman) by placing it in the area 'C' category. For the purposes of clarification this will attract the lower spectrum (being .5%) of the construction cost of development on Little Cayman. More significantly, they have exempted the Brac as far as the applicability of this Bill.

I believe that is a wise and prudent investment by the Government, and it will not only have a limited benefit to Cayman Brac and Little Cayman, but, indeed, to the entire Cayman Islands.

This is not an afternoon for testing the tea bag, so I will conclude my comments at this stage.

The Speaker: Does any other Member wish to speak? *(Pause)* The Honourable Minister for Tourism, Commerce and Transport.

(3.17 PM)

Hon. Thomas C. Jefferson: I am certainly mindful that we began this process in the very early days of March of this year (that is, dealing with the Budget and revenue enhancement measures); it is also true that we did take quite a considerable amount of time in speaking to members of the private sector, whether they were members of the Hotel and Condo Association, or members of CASE or members of the Restaurant Association, or the Contractors' Association. So, in essence, we listened. It is right for a Government to listen to the views expressed to it by everyone who has something to say about what the Government is proposing.

I must say that in all of the quotations made by the Third Elected Member for George Town, he was never once able to quote that when they raised that \$10 million, they discussed it with any of the groups I just mentioned.

Mr. Roy Bodden: Those groups did not exist back then.

Hon. Thomas C. Jefferson: The Third Elected Member for Bodden Town says those groups did not exist back then. I hope those members take notice.

Someone mentioned that we did not have protests. The largest protest demonstration that took place in this country, took place in 1990 when the Third Elected Member for George Town was the Executive Council Member for Agriculture, etcetera, etcetera.

(Laughter and interjections)

Hon. Thomas C. Jefferson: If they want to continue to interrupt me, I welcome it—I can answer!

I want to say that many people talk about agreeing 'in principle,' then deviate and say that they cannot support the Bill. I wonder what the end principle agreement was? Every organisation in this country should make a contribution to the way of life in this country, to the facilities in this country, to the harmony we have in this country. This is the only Government I know of that is more in

line with what they call *laissez faire* environment—meaning that we have no regulations, really. People can come into this country and buy any piece of land without any restriction; make any profit they can without any restriction, and the Government says, “I don’t want to see how much you made.”

It is a risk they take when they make this investment. But do you know why they make it? Because the economic environment of the Cayman Islands attracted them—and continues to attract them. The political stability in this country is not equalled easily by any organisation or any country in the Caribbean, or any other part of the world.

So, we can quote and make all sorts of references, but the bottom line is that we have a country where just about every person who comes here (whether it is a developer, a casual visitor attracted by the warm weather destination, the infrastructure and the way of life we have in the Cayman Islands) has a general reluctance to leave. If they leave, they come back! Where do you think the largest percentage of return visitors is in the Caribbean? The Cayman Islands—with 40-odd percent! Why is that? Let us not worry too much about what the Opposition says, because they know—and the world knows—that the Cayman Islands’ Government is responsible, fiscally and otherwise. We run (for lack of better words) a good show; and they come here to see the show and to participate and make profits at that show. And we say “Welcome!”

But the Opposition would like us to drop this proposition of establishing an Infrastructural Fund. They would like us to keep going out and borrowing the money, so that they can beat us over the head with two or three mauls, saying, “You are committing the Government,” and, “You’ve gone wild with your spending,” as has been said to some extent by the Third Elected Member for George Town.

But I know about spending too. What he should have answered about was what took place in 1990 and 1991. What he should have answered about, as well, was why he (being the Government) decided to add \$10 million taxation—which is taking the money out of the national income, out of circulation, and bringing it into Government—at a time when there was a recession. He needs to answer that economic question. I don’t invite him to answer it now; but let it wash over him and he can try to answer it at some stage.

We have development in this country, and we are asking them to make a contribution to an infrastructure fund which is going to deal with roads—and just about everybody in this country is saying that we have to do something about the roads. We have done a considerable amount over the last four years, but there is a lot more to be done. Now, do you go out and borrow for it, and let the little people (only Caymanians) deal with it? Or are we going to say, “Look, friend, we like your development, we have always tried to be fair, it is time to make a contribution...”? That is what this Bill is about—it is time to make a contribution to the future development of the Cayman Islands as we march into the 21st Century.

I am not worried about the Council of Associations. We are talking about where we are taking this country in the 21st Century. Are we going to stick with the old mode we used to have? The Third Elected Member for George Town keeps saying to us that we did not have any other view about how to develop new revenue. Then, when we come with it, he says he cannot support it. But if we put it on cemetery to cemetery, he would support that. Then at the end of the day, after he makes his strong speech, he says he is not able to support the entire Bill.

I heard the point made about the definition of construction costs. I said to myself, “You know, it’s time to listen again.” So I called the Planning Department and spoke to a relevant person—not the secretary; not the clerical officer; not the executive officer... I spoke to the relevant person—and said, “Let me read this to you, and you give me your reaction.” I read the definition of construction costs. The reaction was (and it was a male), “I think that is a good definition of construction costs.”

Of course, anything you do can be interpreted to be an administrative nightmare, if you want to put that spin on it. But if you are positive about it, every time you put something new in place, you have to work the system; you have to try to find ways to remove the nightmare part of it, if it is there, to make it so that it does not turn off anybody paying the fee.

The Planning Department justifies my saying that they have a way of dealing with these things. They have done it before. They know their business, and they have catered to development for the last 27 or 30 years. They are not in the dark about what we are doing. They were asked, in addition to the Economic Development Section, and the Lands and Survey Department (three people as a team), to put together this proposal; to look at it in depth, and to come back to Government with a recommendation.

I am not going to try to get technical, because I will lose half of my message, but what we are saying is that Seven Mile Beach and particular areas of George Town are designated as area ‘A’. Construction in that area should make a contribution to the Infrastructural Fund (which is being established by this legislation) of 2.5% of the construction cost. I think it is fair to say that usually the selling price of a million dollar condominium has a construction cost somewhere in the range of \$.5 million or \$500,000. If we look at 2.5% of that—the Third Elected Member for George Town could do this calculation for me because he’s an accountant, but I deem it to be \$15,000.

Are we saying that a developer involved with a condominium with a construction cost of \$.5 million (which he is going to sell to someone else for \$1 million!) is going to be run off by \$15,000? Please, I have been around here long enough to know that that is not going to happen.

Not everybody buys a million dollar condominium for \$1 million. Suppose the sale price was \$300,000. Suppose the cost of constructing this apartment was \$200,000. At 2.5%, it would be \$5,000. Is that right? I am just trying to make sure that my calculations are right because it is late in the afternoon. I don’t want to mislead the public. Are we saying that a condominium with a con-

struction cost of \$200,000—which the developer will sell for about \$400,000 or \$500,000.... Are we saying that because we are asking him to contribute \$5,000 to an Infrastructural Fund (which is ring-fenced and can only be drawn down by the Legislative Assembly or the Finance Committee) he will turn away? Come on!

Every facility, every condominium, every hotel, every restaurant, every commercial property, creates an impact—not only on roads, but on the whole infrastructure of the Cayman Islands. Are we saying that \$15,000, or \$5,000, is too much for that? Then tell me how we are to cross the threshold into the 21st Century and still have a sound financial position in this country. If you think that is not important to the developer, I ask you to revisit the thought. The way in which this country has been run over the years is one of the key factors for attracting development.

The recession came on in 1991. We came to power in 1992, and what did we find? Three million dollars in general reserves, and that was all there was. Over 1,000 people were registered as unemployed. And we know how Caymanians are—some would not come out and register because they had too much pride, and did not want to say they were unemployed. My colleagues and I are going to take credit for the fact that we took the country out of that position and created an economic boom in this country—the likes of which we have not seen for a very long time, if ever!

Are we now saying that this Government which created that healthy economic position should not in any way benefit from it while leading the people of the Cayman Islands into the 21st Century? so that we do not have to go any borrow more and more money? so that when we want to do something for roads we can take it from this infrastructure fund? If we want to build something for the school in Savannah, or West Bay, or any other district, we could take it from that fund, rather than having to borrow money. It sounds logical to me, Mr. Speaker, to head in this direction.

Yes, we are going to have differences. We are all individuals. We have different opinions. God bless us that we do. But let's look at what the real situation is.

They quoted a lot of things that I said. Even the Third Elected Member for George Town (who I think got the Third Elected Member for Bodden Town to research the piece he was quoting from) 'yellow crayoned' it, if I can use that expression. I found that too. But let me just say (and I am not going to get into explaining multiplier effects or increase of withdrawal of money from national income), is that if you are going to take any money from anybody at all at any point, should you do it like the Third Elected Member for George Town did it when there was a recession and we did not have much money in our pockets? Or, should we do it now when we have money in our pockets? You take it at the time when the economy is buoyant, so that when you get to the recession you still have money to spend and you don't have to come back and tax again. That is a simple economic lesson.

This is not about bashing anybody. I am just trying to get the public to understand what the issue is and where

this Government is taking this country as we serve our term, implementing those promises we made to the people of this country. It does not matter if they voted for us or not, we are now responsible for everybody in this country and for the direction we are taking it.

This Bill also gives exclusion. There is no fee for houses under 4,000 square feet. We are trying, in this Bill, to be careful about the smaller person and the amount they would have to pay. Somebody might say that a smaller person should not be building a 4,000 square foot house. That may be, but they are doing it.

Area 'A' is the area of Seven Mile Beach between the cemetery in West Bay and the cemetery in George Town, and the blocks in George Town which are deemed to be commercial. Some of it is on North Church Street, some is on Eastern Avenue. That is not an exhaustive list. Then we have area 'B', North Side and East End. We happen to have within the National Team a Minister from one of those districts, and a lady Member from the other. So, we have taken views on it from within the group and outside of the group. We met on this particular matter on April 17th or 18th, so we have been listening since then.

We have taken views from the Real Estate industry, from CASE, which is the Civil Engineers, Architects, Surveyors and Engineers. We have taken views from representatives of the Chamber of Commerce, we have also taken views from representatives of the Merchants' Association. We got a lot of input. We listened. We changed the earlier proposal which is why we decided to listen in the first place. We would not have listened if we had our minds made up. That is not the way the National Team Government works. We listened to show that we did not have all of the facts, and to hear the other side to see how we could make it work.

But having done all of that, the Government had to take a decision. What we are saying is that in North Side and East End is reduced to 1.5% of construction cost. The public should be mindful that we are not talking about the entire district of North Side, nor the entire district of East End. There are specific areas mentioned in this Law which basically deal with the Queen's Highway (as far as East End is concerned), and in the area of Rum Point and Cayman Kai (in regard to North Side). In all the other areas it is .5%. I believe that we have listened and it is now time to make a decision.

We are not saying that we are 100% right. That is not the point. But there is a need to come to a conclusion about this matter. There are very few things in life where you have all the information you need to make a decision; but I think that we have sufficient information to make an intelligent decision, and for me to say that I support this Bill.

We will put it into implementation and see how it works. We are big, bold and honest enough to come back and change it if we find it is not right. I am sure that the Civil Service, in particular the Planning Department, will do everything within its power to ensure that this piece of legislation would never be labelled with any rubber stamp as an administrative nightmare.

The fund created by this legislation is to be collected by the Planning Department, based on construction cost in the percentages mentioned. To my mind, it is the correct place for it to be collected. As I mentioned earlier, they have been dealing with development planning applications, etcetera, for the past 30 or more years. Not only *should* they know—they *do* know what to do, and how to do it.

The objective of this fund is to have sufficient money to avoid Governments of the future always having to borrow money to do capital works. Yes, there will be a need to do some borrowing in the future, but this fund reduces that need. Certainly, everybody who is doing business in the way described by this Bill, has, in my view, an obligation to make a contribution to the good Government of the Cayman Islands; the smooth traffic-flow in the Cayman Islands; the good quality of hospital services in the Cayman Islands; the good educational system; and the safety and law and order in this country.

I have no difficulty in supporting this Bill.

The Speaker: The Fourth Elected Member for West Bay.

(3.49 PM)

Mr. D. Dalmain Ebanks: I want to make a little contribution to this debate. I find this Bill very appropriate. I feel it should have been done before, but you can never get everything done at one time. The world probably could have been built in one day by the Great Supreme Being, but He decided to teach us a lesson.

I have to support the way this Bill is put, as I feel it will be helpful to the country. The developers and business people do not come here out of their love for the Cayman Islands, but for what they can make from it. Some have good feelings for it, but they are here to make money. I feel that anybody who comes to our country, and makes the kind of money they do, should be quite happy to contribute something to the Government to help us run this country—off which they are making a great living.

There is one thing that I wish this Government would do, and that is, stand firm on their decision. Try this, and if it does not work, then change it; but let's give it a try and not just throw it out. They are holding a hatchet over the Government's head—if you do this or that, they will withdraw. They will not withdraw from here. Those people come here because this is the best of any island. The Cayman Islands offers them things they can get in no other island.

I will name a few things: It's tax free; income-tax free; almost crime free... you name it! The greatest thing that can happen to them has happened to their money here in the Cayman Islands. They can work for that money and walk out of the country with all of it. There is no other country in the world where they can do that. And they are going to leave all this for a measly \$500,000 (or whatever amount of dollars) when they are making millions? No way!

I give this Bill my support.

The Speaker: The Third Elected Member for West Bay.

(3.53 PM)

Mr. John D. Jefferson, Jr: I rise to lend my support to this piece of legislation which attempts to bring the planning fees in line. I was told that Government subsidises the Planning Department to the tune of about 50% to 70%. In other words, they do not make enough in that department to even cover the cost of the services, as far as labour and salaries, etcetera.

I am reminded of a little story I heard many years ago about a young boy, an old man and a donkey. The old man was leading the donkey and the boy was riding it. They came across someone who said, "That's not fair. Why should he ride and you walk, when he is so much younger than you are?" So they changed places, with the old man riding the donkey and the young boy leading it. They met someone else who said, "You should be ashamed of yourself. You're riding and the boy is walking? Do you know what you two should be doing? You should be carrying the donkey!" At the end of the day, they all fell into a river. Why? Because they attempted to listen to everybody who had something to say.

I am a firm believer in being fair. I believe that the National Team Government cannot be accused of being unfair. We have demonstrated over our four years in office that we also have a genuine concern about the average Caymanian. In everything we do, we take into consideration the effect it will have on the average Caymanian. We did that with this piece of legislation also.

I read the papers too, and never have I seen any gesture on the part of the Council of Associations (which now has so much power) to reduce their fees, or the cost of liquor, or architectural fees, or other services they provide. They continue to charge whatever they want. At the end of the day, Government provides the services we all demand, while they make no contribution whatsoever.

It has been mentioned by previous speakers that the Cayman Islands offers a special environment. I have travelled widely, and I can say that I have never seen any other jurisdiction comparable to the Cayman Islands—not one! I was listening to the political 'pandering' of the Third Elected Member for George Town as he attempted to justify why Government should not consider this. Anybody who has the money to pay a million dollars for a condominium should not think twice about throwing \$15,000 into the kitty to be used to provide the services we all need in this country.

It is a fact that most people who visit the Cayman Islands are totally amazed, and immediately fall in love with the kind of environment and atmosphere we have in this country. We have political stability, we have social and racial stability, and we have financial stability. Many years ago the Government took a decision to repeal the exchange control regulations, meaning that if someone comes here and makes a prudent investment, then gets a good return on it, the Government says "God bless you," and you walk out with your million dollars.

Can we continue as a Government, in all good conscience, to be too afraid to say to the investor "You can keep \$900,000, rather than \$1 million on your investment," (because he might move somewhere else), and continue to tax the little man on the street to support Government's annual budget? I think that is very unfair. I believe, with all due respect, that the foreign investor comes in here for one reason—to make money. He also comes because he is convinced that this is a stable environment. I do not believe that the average person coming into this country would have a problem with making a contribution to ensure that the atmosphere and environment we have here continues. But, like anything else, if we don't ask, they will not contribute. Why should they?

Being a representative of the people is not an easy job. It is a position where sometimes unpopular decisions have to be made because we believe that it is for the good of the country as a whole. I believe that the National Team Government has bent over backwards trying to listen to everyone, trying to accommodate whatever concerns were expressed. We took those into consideration and we made adjustments. I do not believe, as the Third Elected Member for George Town tried to accuse, that we did not give people enough time to study the proposals. I think they had more than enough time. I believe it is time for us to now get on with the job; put the legislation in place and let us start collecting some money to provide the services we all need and demand in this country—good roads, good hospitals, good schools, and a society which continues to enjoy social harmony.

I give this legislation my full support.

The Speaker: Does any other Member wish to speak? (*Pause*) If not, does the Mover wish to exercise his right of reply? The Honourable Minister for Education, Aviation and Planning.

(4.04 PM)

Hon. Truman M. Bodden: Up until two hours ago, this was a fairly non politically-inflamed Chamber. I must reply to certain areas which have been raised relating to this Bill.

First of all, this Bill's definition of 'construction costs' is precise. It states very clearly what is included in 'construction costs.' The attempt by the Third Elected Member for George Town to say that this is not precise, or not workable, means that perhaps it is not clear to him. But if he takes his time and reads it, he will see that the definition is very precise. The reason for objecting to this is not because it is imprecise, but because it has certain fees which that Member feels should not be included.

In this country we have clear interest groups. Many times they do not wish to have anything done that will affect them. But what this House has to consider is the overall good for the islands. The reason why 'construction cost' has been put in this is because the 'little man' (to use the words well coined by the Third Elected Member for George Town) who is building a 1,000 square foot condominium (I should say the 'little investor' rather than

'little man') in East End or North Side, that costs \$100,000... that same square footage would cost \$1 million to build on the Seven Mile Beach area. The people buying the million dollar condominium will pay ten times more than the person buying the \$100,000 condominium. It is very clear.

What has been suggested by the Third Elected Member for George Town would make it easier for people buying the larger, more expensive condominiums, but would hurt smaller investors buying smaller condominiums. Therefore, the economics of that cannot be right. The Planning Department has no problem dealing with the definition of this. I believe the reason why the Opposition opposes this is because they know that it will bring in substantially higher amounts of money that will go towards roads and the Infrastructure Fund than if it were put only on the square footage. The logic is clear in that respect, you can have varying amounts.

This Bill does not affect houses under 4,000 square feet, therefore it does not affect the average person, and the vast majority of persons in the Cayman Islands. But, listening to the Third Elected Member for George Town saying that he agrees with the principles of this, but disagrees with the Bill, is, surely, a hot and cold situation. He cannot have his cake and eat it too. The Honourable Member is either with the Bill and the people of the Cayman Islands, or he is not with it. He is not with the principle of the Bill because if you oppose the principle, you oppose the Bill. You cannot vote against the Bill and then say you agree with it. The people out there are not that stupid to believe that sort of rationale.

The amounts put in this in relation to area 'A' (which is the Seven Mile Beach and commercial George Town), of 2.5%, as the Honourable Minister for Tourism, Commerce and Transport quite clearly pointed out, is very small. The amount in the Cayman Kai area and Queen's Highway area between the Queen's Highway and the sea, is smaller still, and the rest of the islands, excluding Cayman Brac, is just .5%. A building costing \$500,000, will have a \$2,500 fee paid to the Infrastructure Fund in area 'C'.

The person who wishes to oppose can always find reasons for it. But when we look at those reasons we can see what is authentic and what is not. A statement made by the Third Elected Member for George Town, that the Financial Secretary can vary amounts in the Bill from time to time, and that it could be two or three times more, is totally unfounded. I do not know where in the world he got that from. There is no power in this Bill for the Financial Secretary to vary the amounts in this Bill. They are fixed: area 'A' is 2.5%, area 'B' is 1.5% and area 'C' is .5%. I do not need to deal with that any more other than to say the Bill...

Mr. Linford A. Pierson: On a point of order, Mr. Speaker.

The Speaker: May I hear the point of order Third Elected Member for George Town?

POINT OF ORDER

(Misleading)

Mr. Linford A. Pierson: The Honourable Member is, perhaps inadvertently, misleading the House. What I said was what I read from Part V(A) of the new section that has been brought under the Planning (Amendment) Law. It reads: **“The funds shall be administered in accordance with the directions issued by the Financial Secretary from time to time...”** That is exactly what I read, Mr. Speaker, and that is in the Amendment.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: That is quite correct, but what the Honourable Member has interpreted that to mean is not correct. With respect, this is the fund, this is money, the 2.5%, the 1.5% and the .5%, that is put in the fund... the expenditure of that on roads is under the Financial Secretary. It has nothing to do with the raising of money. The point that I have taken, and I am right on that point, is that the Financial Secretary has no power to vary the percentages and the raising of funds under this Law. I am very happy to sit down at any time and have the Third Elected Member for George Town show that to me, because that is what the Honourable Member said.

Now, he may be confused, but I can assure this Honourable House that the Financial Secretary has no power to vary the percentages and raising of money under this Bill.

What he precisely said was, **“Without the Legislative Assembly the Financial Secretary can double or triple fees.”**

The Speaker: Would the Third Elected Member for George Town agree that it says “the fund...” that he will be administering the “fund”?

Mr. Linford A. Pierson: I agree to exactly what I read which was, as I said earlier, in part (2) **“The fund shall be administered in accordance with the directions issued by the Financial Secretary from time to time and shall consist of monies received under section 4.”** Section 4 has to do with the collection of the fees on these developments. That is precisely what it was, and I went on to say this could give him carte blanche (something to that effect) where he could double it or triple it. I am sure that this was not the intention. That is my view.

I also said, knowing the Financial Secretary as I do, that I am sure that with his integrity and honesty we have nothing to fear. If you check the *Hansards* you will see that was near to what I said when I was speaking.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: We do not differ on what the Honourable Member has said; it is that his interpretation is totally wrong. The Financial Secretary cannot, as he

said (and I wrote it down, and we can get the verbatim if you wish), vary amounts in the Bill from time to time without the Legislative Assembly. He cannot double or triple or vary fees.

This does not relate to the fees. It relates only to the fund after the fees are collected. I am saying that the Legislative process here has produced a precise Bill which cannot be varied as to the raising of the fees by the Financial Secretary. That is the legal position.

The Speaker: I must agree with the Honourable Minister for Education. This is the responsibility of this Honourable House, not the Financial Secretary.

Please continue.

Hon. Truman M. Bodden: Thank you, Mr. Speaker.

The other area I would like to address is the area in relation to the question of notice in relation to meetings. The discussion on the fees has been going on for about the last six weeks. This was one of the initial areas dealt with at the first round of negotiations, and throughout several negotiations from time to time. But the Members of the Legislative Assembly and the Council of Associations reached a sticking point on this area and it was basically ring-fenced and set aside and then dealt with through a series of a further two meetings on this area of the Planning fees only.

All Members should have been given notice of that, but if the Third Elected Member for George Town was really so interested in meeting with the Council, even if the notice was late... since it was such an important matter to him, I would have thought that he would have made a bit of time and come into the meetings. The other Backbenchers came into the meetings. The principle here is that all the Members of the Legislative Assembly had an invitation—not just the Government, and the Government Backbenchers—to meet with the Council of Associations. I think that democratic principle is very important and should not be derogated from with lame excuses.

I believe that many of us spent time far beyond when we could have been doing other things, but we put in very long hours meeting with the Council, listening to their views, weighing that and trying to find a solution to this problem. But the Council realises, as they stated, that, in fairness, we can listen and negotiate. We compromised in a vast amount of things in different areas, and this is the first time that a Government has sat down on the issue of raising import duties and revenue measures with the Council and actually tried to work out a compromise. I think in the end we were able to accept the vast majority of what was put forward, but this was one area where we had to do what we thought was in the best interest of the country.

The Third Elected Member for George Town made reference that there is no legal protection for local architects in the Cayman Islands, giving them a monopoly (presumably) on doing work locally. There is no monopoly in the other professions to do this. Opinions in law can be done overseas; people here get opinions from counsel

overseas; accountants have to deal with people in overseas offices. The place to actually address this issue is not in a fiscal Bill such as this, or not in a Development and Planning Law. If it has to be addressed, we have Select Committee meetings of the Legislative Assembly on Trade and Business and Immigration. These matters can be raised there. Perhaps even more appropriately it can be dealt with in a Bill that relates to architects and quantity surveyors, whatever, within that category of the profession. I believe bringing this in will cloud the issue at this stage. In any event, I know that the issue will come up in the Trade and Business (Licensing) Select Committee.

The reference to having to pay these fees up front and the fact that some of the fees may not be known is a matter that really does not affect the precision of the construction costs, as defined. They are clearly defined. The money for collection had to be looked at either before construction or at the completion. The easiest way to get the money is at the time when construction begins, because at the end of the project the developer may not have the money to pay Government. We know that what happens many times, is that the Government ends up as the one not paid.

But I want to make clear that the time of collecting this is different from the time that the Planning fees are collected. There are three stages: There are the Planning fees right at the beginning when you get a plan approved; then there is a period after which the developers say they wish to start construction; then the letter is given at that stage to move on with the construction. That is the time that these fees have to be submitted and become payable. After that, the construction moves on. At the end comes the Certificate of Occupancy which would apply to developments, not to Caymanians moving into their homes.

The choice was when to collect it. We felt it would not be fair to collect it when the Planning fees were taken right at the beginning. If someone decides not to go on with the project, it would not affect them. But the vast majority of people who apply for a building permit prior to construction are obviously in a position to go on. I do not think that collecting the fees at the end of the project would be wise.

I would like to move into an area that was dealt with in some depth by the Third Elected Member for George Town, about 1990 and the bad old recession days, and the hardships that the public suffered during those hard years.

Mr. Speaker, I was just wondering if the House will sit beyond 4.30 or not, before I embark upon another subject?

The Speaker: I am in your hands. What is the wish of the House?

Mr. Linford A. Pierson: Mr. Speaker, perhaps we could get through if we went on to maybe 5 o'clock or 5.30 this evening without taking a break. There is another short Bill coming before the House.

The Speaker: And a Motion.

Mr. Linford A. Pierson: I would be prepared to stay until 6 o'clock.

The Speaker: I am not optimistic that we can finish, but I am certainly willing to continue on.
What is the wish of the House?

Hon. Thomas C. Jefferson: Mr. Speaker, I, too, vote that we go on.

The Speaker: I need a motion to continue beyond 4.30.

SUSPENSION OF STANDING ORDER 10(2)

Hon. Truman M. Bodden: I move the suspension of Standing Order 10(2) to enable the House to continue beyond 4.30 PM, or until you decide to call an adjournment.

The Speaker: Would Members want to set a time?

Mr. Roy Bodden: Monday at 10.00 AM, sir.

Mr. John D. Jefferson, Jr: Mr. Speaker, I would suggest at least until 6 o'clock PM.

The Speaker: Does any other Member wish to speak?

Mr. D. Dalmain Ebanks: Monday morning at 10 o'clock.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I do not truthfully think we all know how long the other Bill might take. I suspect strongly that we will not be able to finish this evening. What I suggest is that we complete the Bill being dealt with, and at the end of that we close off for the day.

There may be some problem with Monday, but that is for the Government Bench to decide. My suggestion is for the Mover of the Motion to complete his winding up and maybe deal with it at Committee stage and then close off for the day.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I am happy to do whatever the majority wants, however, I do not wish to deprive any Member of the right to speak. I can go on as long as you wish.

The Speaker: I will put two questions. First, that the House do continue until 6.00 PM. I shall put the question. Those in favour please say Aye...Those against No.

AYES and NOES.

The Speaker: The Ayes have it.

AGREED: STANDING ORDER 10(2) SUSPENDED. HOUSE TO CONTINUE UNTIL 6.00 PM.

The Speaker: The other question is that we continue until we finish all the work on the Order Paper.

Maybe I should put it this way. The First Elected Member for George Town suggested that we complete deliberations on this Bill then adjourn at that time. I shall put the question. Those in favour please say Aye...Those against No.

Nobody for, or against?

Mr. D. Kurt Tibbetts: Mr. Speaker, it seems that we are totally confused here. I suggest that whoever needs to, move a motion to adjourn until Monday morning at 10 o'clock.

The Speaker: The Member for North Side.

Mrs. Edna M. Moyle: Mr. Speaker, I think you have put the question whether we continue until 6 o'clock, and that was carried by the Ayes. Therefore, I think we should continue until then.

The Speaker: Since that was the wish of the House, we will continue. Please continue Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddan: Thank you, Mr. Speaker. I will speed up considerably.

Going back to the recession days of 1990, when this country saw its worse economic situation, the Third Elected Member for George Town was then the Executive Council Member for Agriculture, Communications and Works. This small increase in revenues is peanuts compared to the problems that existed in 1990. In the middle of the worst economic recession this country has ever seen, that Government imposed \$10 million in taxes, and the following year they imposed a further \$10 million, which meant \$20 million in the second year.

Worse than that, the Government refused to discuss the matter with the Chamber of Commerce, the Council of Associations, or anyone else. This erupted in the worst demonstration this country has ever seen. On Tuesday, 17th July, 1990, the *Caymanian Compass* reported that "a demonstration of between 600 to 700 residents marched through downtown George Town on Friday afternoon, supporting a petition against Government's move to add Official Members to Finance Committee." The largest single demonstration, with demonstrators stretched out over nearly a mile. A petition signed by 2,780 was presented against the Government, of which the Third Elected Member for George Town was then a Member.

That Member's track record relating to import duties and taxes and revenue measures... and, indeed, the Government of that day saw the single largest uprising this country has ever had. The reason was the harshness of the imposition of the taxes and the refusal of the Government to meet with the people. It was reported in the same issue of the *Caymanian Compass* that the number of persons signing the petition (2,780) represented 59.41% of the persons who were contacted to sign it. The vast majority of the public had actually petitioned against the Government which had very rigidly refused to amend—they railroaded—the taxes, which pushed this country into a further recession.

Because I would like to get this cleared up without going into other areas (I'll save that in case we come back on Monday), I do not think that this country will ever forget the demonstrations. There was not just one. I am referring to the large one, and it was extremely large, when the petition was presented to the Governor against the Government. Actually, the petition called for the Government to step down because they had lost a majority of Elected Members in the House.

The only other area that I would like to mention is that back in 1991 the issue was the Master Ground Transportation Plan. Despite the criticism of the Harquail bypass by the Third Elected Member for George Town, it runs substantially where the Master Ground Transportation Plan (MGTP) had put it. The difference is, instead of \$200 million (which would have wrecked this country because that specific road would have been 120 feet with double lanes and a corridor in the middle), we have put in a sensible and reasonable size road with two lanes and a reserve which can be extended to four. If it is not good now, it must have been no good then. So, the Honourable Third Elected Member for George Town is blowing hot and cold.

Perhaps Members may wish to ensure that they are in a position to vote fairly shortly. The country is now in an economic boom—the best it has ever been in. We have also seen and heard that if revenue measures such as this have to be raised, the best time to do it is in a boom period so that reserves can be built up. A recession is a time to spend, but definitely not a time to put taxes upon the people of the country. So we are definitely not doing what the Government of 1990 - 1991 did—put relentless and cruel taxes on the people of this country in the middle of an economic recession.

I ask Members to support this Bill. Those Members who said they support it in principle, should be men enough to put their votes where their principles lie.

The Speaker: The question is that the Development and Planning (Amendment) Bill, 1997, be given a second reading. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

time span. Let us further assume that the annualised expenditure will amount to \$3 million—\$1 million from local revenue, and \$2 million from loans over the period. Instead of the relevant information being set out at a single point in the Estimates, it will be broken down to show \$1 million being financed by local revenue in one section of the Estimates, and \$2 million be financed by loans in another section. Unless a Member of this House is very familiar with the Estimate document, it could be easily missed that the sum of \$3 million had been provided. Simplicity leads to greater clarity, and greater clarity will inevitably lead to greater efficiency.

The setting up of the segregated account will enable Government to better allocate its revenue, not only in determining what percentage will go towards capital development, or the Infrastructure Development Fund account, but also what percentage allocation should be made toward General Reserves and Recurrent and Statutory Expenditure. As one Member pointed out, this Bill is closely linked with the one presented by the Honourable Minister for Education, Aviation and Planning, that the two of them could have been taken together. But, for the information I have just outlined, I thought it would be very useful to be presented in this order.

The Speaker: The question is that a Bill for a Law to Amend the Stamp Duty Law (1995 Revision) be given a second reading. The motion is open for debate.

The Third Elected Member for Bodden Town.

Mr. Roy Bodden: The position of the Government at this time reminds me of that of Madame Bovary in the celebrated French author's story of the same name. The National Team has lost its innocence. In their Manifesto of 1992 and of 1996, they boasted that they had reduced the stamp duty. This boast is no longer applicable with the introduction of this Bill. But more significantly, I am puzzled by the seeming urgency to raise what I consider a small sum (\$1.8 million) at a time when this will so unsettle the already muddy waters.

In taking my position it is necessary for me to make a statement: I have never been one to sit around in the grey area occupied by timid minds and feeble souls. Anyone who knows my performance since coming to this Parliament, will know—and the *Hansards* will bear me out—that I, sometimes against overwhelming odds, stood up as a lone wolf and expressed my opinion. I reserve that right, and that is what my constituents expect me to do when I see and believe that something is not in the long-term best interest of this country.

This is a House of democracy and debate. Any Member can take any position he or she wishes to take. While I might not agree with that position, I certainly agree with giving them the right to take that position. So, let me say that I resent, in the most stringent terms, anyone casting aspersions on the position I take. Each man has to give an account for his own actions. The Third Elected Member for Bodden Town is quite prepared to give account for his when called upon to do so. The fact that I have been returned three times should serve to

show the unknowing and stupid that my constituents must see some merit in my performance here. Those who care to express their differences in such a contemptuous way better prepare themselves for when they have to render an account and put their records on the line.

Enough said on that!

I almost feel sorry for the National Team Government having to resort to this position. It was a Government which (even though I hold substantial differences with some of their ideas) held out such great promise regarding the management of the country. Now, to come and introduce this kind of piecemeal legislation, with seemingly reckless disregard for the opinions of those people who claim that they are concerned because it is going to affect development, is a matter which should give us great concern.

I agree that the development of this country should be a partnership between those who have money and those who provide services—be those services labour or otherwise. But, we cannot afford to disregard any one element when it complains.

In the past, I have expressed my concern about these kinds of things. I shall continue to do so, because I have always called for a system of development where we take a long-term approach; where we can see certain things and plan and organise so that they will have minimal effect. I take this opportunity to again make the point that we need some kind of development strategy, because it has to be a two way street.

The evening is approaching, and I do not need to be long-winded. I have stated my concerns and I hope that the Government is sufficiently flexible that they can take them under consideration.

The Speaker: Does any other Member wish to speak?

The Fourth Elected Member for George Town.

Dr. Frank McField: I will not be long-winded, nor do I believe that just by speaking I will be able to effect the changes in this country I feel need to be effected, and that I think are at least being assisted by this Bill.

I am happy that I sit, as Fourth Elected Member for George Town, as an independent candidate. I do not have to see-saw with legislation which I consider to be for the good of this country. I believe that the legislation to create an Infrastructure Fee in certain areas which are highly dense and developed, and also the legislation to increase the stamp duties in these areas, are two pieces of legislation which go together, and are correct in principle. If something is correct in principle, it means that I must at least compliment those responsible for the creation of those principles.

I am very happy that I did win a seat at the last General Election. I am not sure that I will win a seat in the next General Election, but I can assure Members of this House that if I fail to win a seat, it will not be because I failed to be honest. I am not here trying to secure any other future more important than the future of the people of these islands. I believe that it is time for the burden of indirect taxation to be switched away from the little man,

or the poor person, towards the richer people who can afford it—those people who are amassing profits in this country as a result of the environment which God has given to all of us to share and care for.

There comes a time when we must say that some type of re-distribution of the rewards and fruits of the prosperity of this country must be attempted. It cannot be attempted if we continue to put indirect taxation on import duties in this country without concern for the little man.

We know that Government must have revenue, yet the Members of the Opposition come with no suggestion as to how Government might be able to raise revenue to improve the quality of life for the average people of this country today. Hypocrisy was the downfall of members of the Opposition in the last General Election, and hypocrisy will be their downfall in the next General Election. If I fall at the polls, it will not be because I did not speak in the name of the average person.

I do not mean to insult the rich, but I do mean to tell them that they must pay their share of the burden of this country. We read today that the prisons are overcrowded. We must be responsible for raising revenue from the local people to pay for the incarceration of our own people who are mainly in prison because of the rapid development in this country over the last 30 years. For 30 years we have had rapid development with no consideration to the needs for the development of an infrastructure.

Today the Opposition Members are telling the Government that raising over \$1 million is not worth it. The Council of Associations is saying that to raise \$800,000 will create bureaucratic nightmares. Well, the nightmare will only be created if the people who are supposed to cooperate, do not cooperate with the process.

Anyone can break the Law, but if they want to cooperate, they will find that what the Government is doing at this particular time is to pay for the infrastructural development of this country—and that is not just a question of roads, that is a question of drug rehabilitation, and teaching people skills to work. We are talking about the fact that the average Caymanian is saying that the country has developed too fast, yet we do not want to create legislation to limit that development. Nobody is suggesting that, but there is no reason why, when the fruit is so plentiful that we should not be asking for more.

The stamp duty was reduced before because of recession. There is no reason why it should not now be increased. It has been said that if we go to a tree and there is fruit on it, we pick it; we collect it and save it. The fact that the Government is collecting revenue does not mean that the Government must spend the money that is being collected. We need to also collect for the rainy days.

It is quite obvious to me that Members of the Opposition are not wanting to take a side. A debate has to do with taking sides. We can explain the merits of the Bill, while at the same time be saying "I understand that it is right in principle. I can understand that, in principle, if I were in your position I would be doing it, but I cannot agree with it because you are doing it." I agree with and support this legislation because in principle the legislation

is correct. If I were in that position, I would be doing it. Therefore, although I am not a Member of the National Team, and I am not one of their Backbenchers—I am here as an independent candidate supporting the interests of the people—I will go along with the National Team, as long as I believe that what they are bringing here is sound.

I say that I especially trust the Financial Secretary. I do not believe that he is trying to take our ship aground. I do believe that the Council of Associations represents an interest group, because they do not come down where I live to listen to what the people have to say there. They do not come here to tell me anything about what these people have to say. There is more to this country than the interest of a few architects or surveyors.

We have not had any developers come down here. We have people who want to preserve their profit margin. I have nothing against people making a profit; but just like the people who work in the hotels for less than \$4 per hour—we do not have anyone coming down here agitating for a better living wage for these people. Why are we having Members of the Opposition labour so hard to support the demand for the extension of greed?

We always hear them talking about the rich, while at the same time saying they support the average person—the little man. But they live like the rich; they drive the cars of the rich; they live in the houses that the rich live in; they go to the restaurants the rich go to. So, in principle, they are rich! They are here in this Parliament to protect the interests of the rich, and not the interests of the little people.

Anybody who is here to protect the interest of the little people can see clearly that what the Government is attempting to do is to collect the revenues necessary to see that people can live a standard of living. We do not want to create the 'haves' and the 'have-nots' in this country.

But it was not the fact that Government tried to bully the rich that caused the problems in Jamaica and other places. They were caused because there was never any real concern for the poorer person; there was no representation of the poorer person. There was a pretence, because when election time comes the candidates go around talking about housing. But how can we improve housing if we cannot improve on the revenue-raising measures? How are we going to have houses for the little man when we cannot raise money?

The Speaker: Honourable Member, could I ask you to please return to the Bill?

Dr. Frank McField: Mr. Speaker, I believe that I am talking about the Bill because the Bill is seeking to raise money. I am talking about why we are seeking to raise money. All of these things are inter-related.

Somehow I feel that we need to convince the public that these measures have merit, and that the Opposition's attempt to discredit these measures is based upon their playing politics with our country—getting in gear for the next election, rather than getting in gear to see how

we can solve the problems of housing, crime, delinquency and unqualified people; how we can solve the problems of single mothers in this country.

All of these things are caused by the rapid economic development and lack of any kind of sociological concept in terms of planning, because we continue to see planning and infrastructure as having to do with roads and nothing to do with brains. Infrastructure has to do with brains as well as with roads. We need to improve the brains; therefore we need to spend more money on schools. That is why we need more money.

You cannot say that you are on the side of the 'little man,' and then be against what can improve conditions for him. How can you be for him? You are only paying him lip service because you hope he will vote for you. But you will not vote for the things he needs. The Government is the people. The 15 people here are not collecting this revenue for their pockets—they are collecting it for the majority of the people. Although a minority of the people might disagree, I say it is correct and late in being collected. Thank God that it is now being collected. I just hope that it will be spent properly. For the next four years I will be here to see that it is. If it is not, then I will talk about it. Until then I support these measures.

The Speaker: Does any other Member wish to speak? If not, does the Honourable Mover.... The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: The Bill that we are supposed to be debating here is entitled, A Bill for a Law to Amend the Stamp Duty Law (1995 Revision). It basically seeks to **"...amend the Schedule of the Stamp Duty Law (1995 Revision) to provide that conveyances or transfers of immovable property in certain specified registration sections, blocks and parcels shall be subject to 9% stamp duty."**

Unfortunately for us, other issues have come to light in the debate. I trust that whatever I say this evening (which might refer to anything else which has been said before) will be allowed—simply because I would not be speaking on what was said had what was said not been allowed. I do promise to debate the 9%.

I have been drawn into what I suspect was an individual situation by what the last speaker said. Because I know better, I will not allow myself to get lost in it, but there are a few things that I think need to be said.

I am termed loosely by others as a Member of the Opposition. I listened to the Fourth Elected Member for George Town paving his way through his discourse, and I saw myself in the recent past. But what I wish to make very clear is that while I may be termed "Opposition" within this House, my style, my thoughts, my intentions and my will have not changed. If we come to a point in time when we are debating an issue and it is my belief that I need to take a position given the consensus of the people I talk to, I will do that. That is exactly how the Government operates on a daily basis. That cannot be denied.

Because we have beliefs, thoughts and good wishes for the people of this country, sooner or later we have to also accept what is real. So, now we come to the 9%. In moving the Motion, the Honourable Third Official Member responsible for Finance and Development discussed the fact that based on the recent past performance with such transfers in the areas designated, that approximately \$1.8 million should be raised. That \$1.8 million is estimated to be the 1.5% difference between what is now and what will be upon the passage of this Bill.

If one wishes to take it very lightly, one can say that what that represents, spread over X number of transactions, might not be something scary. I believe that is how the idea is wished to be viewed. But, we have just finished talking about some other increases. I believe consideration has to be made as to whether or not (although you are shifting where the money is being paid from), when the whole scheme of things is put together, it does not make it a bit cumbersome all coming at one time.

Someone mentioned earlier about taking a position. Let me say that when it comes to taking a position, I believe it is right to assess the pros and the cons. Something else was also mentioned. I pray to God that the thought was not meant for me. In fact, I don't even know if I should talk about it. Anyway... this thing about taking positions... I believe it is important for each and every one of us here to be able to deliberate on one side and the other to ensure that whoever talks about whatever issue is at hand has the ability to grasp from the other enough of a perspective to make sure that the final decision is a sound one.

Where others might, I certainly do not have a problem talking about both sides of a situation and listening to both sides of a situation because I believe that it helps me make my final decision.

I just said that I am not sure whether the entire package, as seen now, is one which is going to have any negative effects or not. All the facts which have been laid out need to be brought into one picture because the previous Bill, which dealt with the 2.5%, the 1.5% and the .5% in the sections lettered 'A', 'B' and 'C', affects the developer of the properties. There is also a part of the other Bill dealing with building permit fees which also affects the developer. This Bill before us now deals with the person purchasing the property. But we have to bear in mind that although the money is coming from the purchaser, this also can affect the developer. In principle, as I said when I discussed the other Bill, I acknowledge that we have to help pay for our existence. I have no problem with that basic principle. There are few in my district who I do not know. I do not care where they come from, or what they do. Anyone who is misled to conclude that I have any hidden agenda is sadly mistaken. When I stand here trying to come to grips with the Bill before us, let no one misunderstand...

The Speaker: Honourable Member, would you just pause for a minute while they change the tape?

Mr. D. Kurt Tibbetts: Yes.

MASTER TAPE CHANGED

The Speaker: Please continue.

Mr. D. Kurt Tibbetts: Just before the pause, I was trying to make sure a few things were very clear. I had time to think, so let me put it in another way so that it is clearly understood.

I did not come here to deal with showmanship, or one-upmanship or anything of that nature. I am here simply because of what I believe. If that is not good enough, then I (or those who put me here) will know what to do. There is a need for us to understand that we do not have to be at each other to accomplish something. Maybe in time we may all learn to be just a little bit more sensitive, and maybe we will not have to fly off the handle. Maybe we can stick to the issues and not get side-tracked. Because I am the one doing the preaching right now, I will try to prove that point.

This Bill is one that paints the entire picture of three different areas where the same situation is being taxed. I am not sure whether we should go that far. Let that not be construed for what is commonly termed 'waffling.' Let it not be understood to mean that I cannot take a position. Let it simply be understood that I am concerned, because I want us to do the right thing.

It is obvious, since the Government has brought these Bills, that they believe it is the right thing. I have heard both Motions. While I understand exactly what the intent is, and concur with the it, the question that remains in my mind is: Are we sure that the intent will be achieved, or do we run a certain risk with the results not being as good as we anticipate them to be, because some people might have a problem going as far with their investments as they had without these measures.

If we are fair to the situation, that can be the only concern that matters as to whether or not we should do it. It is not a question of the intent. It is a question of the results.

I can be talked about forever after this, but my position—and I have listened, and I have tried to come to grips with it myself, and put myself in the position to see how it would feel, and see what the reaction would be—but I am unable (in two days) to come to grips with the fact that there might not be any problems. I have no doubt that the Bill will pass. It is obvious from the way the debate is going that it will pass. But, because I am not sure, I am not going to support the Bill. In fact, because I know it is going to pass (and maybe just to be talked about) I am not going to support it. Again, I understand all of it, but I am not sure that the intent will be achieved when this is all over; and because that is my position, I will not be supporting the Bill.

The Speaker: Does any other Member wish to speak? (Pause)

If not, would the Mover wish to reply? The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: I would like to thank Members for their support. The First Elected Member for George Town said it would be useful to bring together the sum that will be raised from the revenue enhancement measures that have been discussed. Although we have not yet dealt with the Government Motion dealing with the Building Permit fees, what is envisaged from the proposed enhancements will realise an incremental revenue of \$1.2 million. This is what has been estimated.

When this is added to the \$.8 million that will be going towards the contribution to the Infrastructure Development Fund this brings it up to a value of \$2 million. I pointed out earlier in the second reading of the Stamp Duty Bill, that it was envisaged that \$1.8 million would be raised. This brings the value of the revenue measures up to a sum of \$3.8 million.

The only amount out of this remaining unrestricted will be the \$1.2 million under the Building Permit fees because that will be going into General Revenue in order to defray the operating cost of the Department. The remainder of the money will be ring-fenced. As I pointed out, this will be going into the Infrastructure Development Fund account.

Consistent with that, we are looking at Budget reforms for 1998. It is now being considered by the Government to establish a Capital Development Fund. I pointed out that we want to stream line the budgetary process, especially that dealing with the capital section. You have to look in two places within the Estimates, and these points are not easily cross-referenced so that users of the document (MLAs) can see at a glance what is happening. I think it will be useful, if the Government is going to undertake the construction of, let's say, a school facility for \$9 million commencing in 1997, that there should be an historical picture following the project from conception to conclusion. So, when we start in 1997, and if there are variations in 1998 resulting in increases or decreases, all of that information will be set out as a part of the project document. When we get to 1999, when the project should conclude, and come back to this Honourable House, Members will see all of the relevant information in connection with that project in one glance.

For example, the capital development to be undertaken by the Government in a given year amounts to \$40 million, with \$29 million coming from local revenue, and \$11 million from loans. I do not think there is a need to separate the projects for expediency, I think it is necessary to keep everything together. Then we can look in terms of what resources are available, and information can be set out with such clarity to show what portion of the funding will be coming from what sector—whether it is local revenue or borrowings, etcetera. It is hoped that everything will be going into the Infrastructure Development Fund Account.

When a given percentage of revenue is earmarked, for example \$200 million, and the Government decides to contribute 10% of that (which amounts to \$20 million), if the value of projects to be undertaken in any given year is less than the \$20 million, that fund will continue to have

a balance because it is a segregated account. So, in the streamlining of the Budgetary process, there are many variables being looked at.

We know the present cash system has certain deficiencies. We are hoping that the consultant who will be assisting with the Budgetary reform will arrive next week. What we really need to arrive at is a modified accrual basis. I think we should spend, based on what we have. But at the end of a given year it is necessary for the Government to assess the liabilities in terms of what obligations are outstanding, and revenues to be collected.

Using an accrual accounting system, let us say the Government's revenue-earning potential in a given year is \$200 million, but \$180 million of that was collected in cash, while \$20 million is deemed to be good indebtedness, which is collectable. That money may not have come in hand; yet, because of the fact that it is set out in the income statement, the Government (or an entity) can spend to the tune of \$200 million. When it is based on the \$180 million that is collected, under the modified accrual system the \$20 million in arrears would be shown as an asset—monies outstanding owed to Government, monies which are due and payable. Therefore, the Government knows that it has an asset within reach, but it does not spend against what it has not yet collected.

At the same time, if the Government incurred liabilities to the tune (let us say) of \$200 million, but has only paid out \$180 million, the differential between \$180 million and \$200 million would be shown as liabilities in the Government's financial statements.

That is why many corporations today are looking at cash flow, because you can be asset rich and cash poor. Many major financial institutions have gotten in trouble over the years, and it comes down to your basic cash position. I would not like to see the Government lose sight of this. It is very important to spend based on what you have in the bank and what is within reach. Although you can spend against your potential to raise revenue, it is good when expenditure is consistent with the resources that are available—we know we can go on a budget with a proven track record whereby we are taking in money we are spending. But when we start to spend against what we have not collected, it puts us in what I would call the danger zone.

We know that accountability, and reporting the Government's financial position on an ongoing basis is very useful and informative, and we are looking at ways to improve that. We have also mentioned that the Medium Term Financial Strategy will be coming to the House very soon. These are issues which are presently under review at this time.

I thank Members for their support, but I felt that this bit of expanded information would be useful. Thank you, Mr. Speaker.

The Speaker: The question is that a Bill for a Law to Amend the Stamp Duty Law (1995 Revision) be give a second reading. I shall put the question. Those in favour please say Aye...Those against No.

AYES and Noes.

The Speaker: The Ayes have it.

Mr. Roy Bodden: Can we have a division please?

The Speaker: Certainly. Madam Clerk, please call a division.

The Clerk:

Division No. 15/97

AYES: 8

Hon. Ivor Archie
Hon. George A. McCarthy
Hon. Thomas C. Jefferson
Hon. Truman M. Bodden
Mr. John D. Jefferson, Jr
Dr. Frank McField
Miss Heather D. Bodden
Mrs. Edna M. Moyle

NOES: 1

Mr. Roy Bodden

Abstention: 1

Mr. Linford A. Pierson

Absent: 7

Hon. Donovan Ebanks
Hon. W. McKeever Bush
Hon. John B. McLean
Hon. Anthony Eden
Mr. D. Dalmain Ebanks
Mr. D. Kurt Tibbetts
Mrs. Julianna O'Connor-Connolly

The Speaker: The result of the division is eight Ayes, one No, one Abstention. The Ayes have it.

AGREED: THE STAMP DUTY (AMENDMENT) BILL, 1997, GIVEN A SECOND READING.

Hon. Truman M. Bodden: Mr. Speaker, I was just wondering, since the Committee stage seems to be non-controversial, if we could just wind up the Session this evening. I think it would be a relief to everyone. I doubt it would be more than ten minutes in Committee, and my Motion will be very quick because I do not see that as controversial. That was actually agreed with the Council and with Members here.

The Speaker: The House will now go into Committee.

HOUSE IN COMMITTEE - 5.48 PM

COMMITTEE ON BILLS

The Chairman: Please be seated. The House is in Committee. The first Bill is A Bill for a Law to Revise the

Planning Law (1995 Revision). The Clerk will read the clauses.

THE DEVELOPMENT AND PLANNING (AMENDMENT) BILL, 1997

Clerk: Clause 1 Short Title.
Clause 2 Infrastructure Fund, Amendment of the Development and Planning Law (1995 Revision).

The Chairman: The question is that clauses 1 and 2 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 1 AND 2 PASSED.

Clerk: A Bill for a Law to Amend the Development and Planning Law (1995 Revision).

The Chairman: The question is that the Title do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: TITLE PASSED.

THE STAMP DUTY (AMENDMENT) BILL, 1997

The Chairman: A Bill for a Law to Amend the Stamp Duty Law (1995 Revision). The Clerk will read the Clauses.

Clerk: Clause 1 Short Title.
Clause 2 Amendment to the Schedule of the Stamp Duty Law (1995 Revision).

The Chairman: The question is that clauses 1 and 2 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 1 AND 2 PASSED.

Clerk: A Bill for a Law to Amend the Stamp Duty Law (1995 Revision).

The Chairman: The question is that the Title do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: TITLE PASSED.

The Chairman: That concludes proceedings in Committee. The question now is that the Committee do report to the House. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it. The House will resume.

AGREED: COMMITTEE TO REPORT TO THE HOUSE.

HOUSE RESUMED

REPORT ON BILLS

The Speaker: Please be seated. Reports. The Honourable Minister for Education, Aviation and Planning.

THE DEVELOPMENT AND PLANNING (AMENDMENT) BILL, 1997

Hon. Truman M. Bodden: Mr, Speaker, I have to report that a Bill entitled, The Development and Planning (Amendment) Bill, 1997, was considered by a Committee of the whole House and passed without amendment.

The Speaker: The Bill is accordingly set down for third reading.

The Honourable Third Official Member responsible for Finance and Development.

THE STAMP DUTY (AMENDMENT) BILL, 1997

Hon. George A. McCarthy: I have to report that a Bill entitled, The Stamp Duty (Amendment) Bill, 1997, was considered by a Committee of the whole House and passed without amendment.

The Speaker: The Bill is accordingly set down for third reading.

Third Readings.

THIRD READINGS

THE DEVELOPMENT AND PLANNING (AMENDMENT) BILL, 1997

Clerk: The Development and Planning (amendment) Bill, 1997.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, I beg to move that a Bill entitled, The Development and Planning (Amendment) Bill, 1997, be given a third reading and passed.

The Speaker: The question is that a Bill entitled, The Development and Planning (Amendment) Bill, 1997, be given a third reading and be passed. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: THE DEVELOPMENT AND PLANNING (AMENDMENT) BILL, 1997, GIVEN A THIRD READING AND PASSED.

THE STAMP DUTY (AMENDMENT) BILL, 1997

Clerk: The Stamp Duty (Amendment) Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: Mr. Speaker, I beg to move that a Bill entitled, The Stamp Duty (Amendment) Bill, 1997, be given a third reading and passed.

The Speaker: The question is that a Bill entitled, The Stamp Duty (Amendment) Bill, 1997, be given a third reading and be passed. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: THE STAMP DUTY (AMENDMENT) BILL, 1997, GIVEN A THIRD READING AND PASSED.

The Speaker: Government Motions. Suspension of Standing Orders. The Honourable Minister for Education, Aviation and Planning.

SUSPENSION OF STANDING ORDER 24(5)

Hon. Truman M. Bodden: Mr. Speaker, I move the suspension of Standing Order 24(5) to allow Government Motion No. 5/97 to be taken.

The Speaker: The question is the suspension of Standing Order 24(5) to allow Government Motion No. 5/97 to

be taken. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: STANDING ORDER 24(5) SUSPENDED TO ENABLE GOVERNMENT MOTION NO. 5/97 TO BE TAKEN.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

GOVERNMENT MOTIONS

GOVERNMENT MOTION NO. 5/97

The Development and Planning Regulations (1995 Revision)

Hon. Truman M. Bodden: I move Government Motion No. 5/97, which reads:

“WHEREAS it is desirable that the Development and Planning Regulations (1995 Revision) be amended;

“BE IT RESOLVED that the (attached) draft Regulations entitled the Development and Planning (Amendment) Regulations, 1997 now being laid before the Legislative Assembly be hereby approved in accordance with Section 38 of the Development and Planning Law, (1995 Revision).”

These regulations were agreed with the Council of Associations and were, in fact, supported by those Members of this Honourable House who I spoke to and who were involved with it. They deal with the regulations for building permit fees and the aim is to bring the Planning Department to where it will no longer be subsidised but will be self-sufficient.

The only difference from the recommendation by the Council of Associations is that we have put no fees for houses less than 1200 square feet, and apartments less than 600 square feet. Over that size on houses it is very small, 10 cents per square foot—1200 sq. ft - 1500 sq. ft.; 15 cents (per square foot) between 1500 sq. ft. - 2000 sq. Ft.; 20 cents (per square foot) 2000 sq. ft. - 2500 sq. ft.

I would ask all Members, since I believe these Bills have been debated out of existence, to give their support to this.

The Speaker: Government Motion No. 5/97 is now open for debate. (*Pause*) No Member wishes to speak?

Does the Mover wish to reply? If not, I shall put the question that Government Motion No. 5/97 do pass. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: GOVERNMENT MOTION 5/97 PASSED.

The Speaker: That concludes the business for this afternoon. I will now entertain a motion for the adjournment.

The Honourable Minister for Education, Aviation and Planning.

ADJOURNMENT

Hon. Truman M. Bodden: Mr. Speaker, I am happy to move the adjournment of this Honourable House until the 9th of June, 1997.

The Speaker: Thank you.

Prior to putting the question, I would like to thank Honourable Members for their tolerance to the Chair during this Meeting, it being my first. I have a lot to learn, and I thank you all for your cooperation.

I shall now put the question that the House do now adjourn until the 9th of June, 1997. Those in favour please say Aye... Those against No.

AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned.

AT 6.00 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM, MONDAY, 9TH JUNE, 1997.

**EDITED
MONDAY
9TH JUNE, 1997
10.19 AM**

The Speaker: I will ask the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation to say Prayers.

PRAYERS

Hon. Anthony S. Eden: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. The Legislative Assembly is in Session.

Questions to Honourable Members/Ministers. Question No. 81 is standing in the name of the Third Elected Member for George Town.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

QUESTION NO. 81

No. 81: Mr. Linford A. Pierson asked the Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture, what plans, if any, are being

considered for the installation of a central sewerage system in George Town?

The Speaker: The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: There are basically two reasons why the public sewerage system could be considered necessary in central George Town and, in fact, in any developed areas of these Islands:

(1) First and foremost, is the protection of public health. In the past, George Town residents (and many residents in other areas of the country) depended upon ground water for drinking, cooking and bathing. Over the years, cesspits, soak-aways and septic tanks have contaminated the ground water in George Town with bacteria and have made it unsuitable for potable purposes. However, with the completion of the public water supply in many areas of the country, and in particular within the George Town area, this is no longer such a pressing concern. The Water Authority continues to invest millions of dollars to expand the public water supply into other districts such as East End and North Side in order to reduce the population's reliance on unsuitable sources of drinking water.

(2) The second reason for providing a public sewerage system is to protect the environment and, most importantly, the marine environment. The Water Authority, in conjunction with the Department of Environment, has monitored the marine environment in Hog Sty Bay since 1991. Samples are taken regularly and tested for contaminants which stem from human waste in order to determine whether the marine waters have been affected by development in the central George Town area. To date, these tests have indicated that there is very little, if any, pollution entering the coastal marine environment.

More importantly, there has been no discernible trend in the results. This indicates that despite increased development in the George Town area, the marine environment has not yet been adversely impacted. However, the Government and the Water Authority are keenly aware that at some point, with continued growth in the area, a centralised sewerage system will be required to pre-empt damage to the marine environment.

In 1993, the Water Authority commenced work on a preliminary design for a centralised sewerage system in George Town. This concept was included in the Ten Year Plan for Water and Sewerage Infrastructure which was considered by Government late last year. This plan indicates that George Town sewerage will be necessary some time after the year 2000. Current plans for increas-

ing the capacity of the present sewerage treatment works, which services the West Bay Beach area, have taken into account the possible inclusion of wastewater from George Town.

Mr. Speaker, I can also tell this House that there have been at least three enquiries from private companies (all overseas) who are interested in looking at a system for the Cayman Islands.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Thank you, Mr. Speaker. In the substantive answer the Honourable Minister stated that the Ten Year Plan, in the case of George Town sewage, will be necessary sometime after the year 2000. We know that the year 2000 is just 2 1/2 years away. Can the Honourable Minister indicate more clearly what sort of time-frame he is thinking about?

The Speaker: The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: The Authority is presently re-designing the treatment works to be able to handle further expansion, with a view to expanding in George Town. I just talked to the Director, who is unable to give a date yet. I hope to say more about this in the near future. My hope, as I said, is that a private concern will come up with a plan suitable for the country and be able to get a franchise. That is a possibility. We are presently re-designing and going ahead.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: In the substantive answer the Honourable Minister also said that the Department of Environment has been monitoring the effect of pollution especially in the Hog Sty Bay area since 1991. Can the Honourable Minister also state whether any tests have been carried out on the well water in George Town, and whether or not he is aware of any wells being used for drinking purposes?

The Speaker: The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: Error! Bookmark not defined. Yes. The Member might recall a report about gasoline in some ground water. That was detected, in part because of the usual testing procedure by the Department of Environment. In the other part of the question concerning well water, that is where the gasoline was.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Earlier in his answer the Honourable Minister mentioned that three companies had expressed an interest in developing a system. Can the Minister say if these companies wanted to develop the system and run it themselves, or whether they were prepared to set the system up for the Government to operate as they are doing now with the Water Authority?

The Speaker: The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: Mr. Speaker, the indication is that they would want a franchise.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Can the Honourable Minister say if the water in East End and North Side is unsuitable, since in the first part of his answer he stated that the water was unsuitable?

The Speaker: The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: Mr. Speaker, my understanding is that in the East End district there were a few wells with contaminants, but none in North Side. Except for the water being brackish, it is good.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Error! Bookmark not defined. Mr. Speaker, perhaps this question may be better answered by the Minister for Education, but I wonder if the Honourable Minister is able to tell us whether our Public Schools and Private Schools are being hooked up to potable drinking water, or whether any of these schools may be using well-water at this time?

The Speaker: The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: Error! Bookmark not defined. As I understand, all schools are now hooked up to the Public water supply system up to Bodden Town. East End has its own water supply system.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: I would like to know whether or not it is the understanding of the Water Authority that all water which comes from the ground, or from rain, is unsuitable water.

The Speaker: The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: The East End source, as we know, is in use and very suitable; also the Savannah and Lower Valley source. Of course people could have water in their cisterns and that would be suitable and there are some wells that have not been contaminated. Without having my chemist at hand, I can only say that there would be some water that could be used.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: The Honourable Minister mentioned that there was a provision made in East End, and I understand from the Member for North Side that there is also a cistern being used by the children in North Side. I wonder if the Honourable Minister could say whether there is a regular check carried out to test the water in these cisterns to determine whether it is good, potable water for the children to drink?

The Speaker: The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: From what I understand there are checks on the school catchments, and all schools also purchase bottled water for drinking—commercial bottled water, that is.

The Speaker: If there are no further supplementaries, we will move on to question No. 82, standing in the name of the Third Elected Member for George Town.

QUESTION NO. 82

No. 82: Mr. Linford A. Pierson asked the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation, to provide an update of the total construction costs of the new Hospital, and the projected total costs, including equipment and furnishings, to completion.

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: The total expenditure on the new Cayman Islands' Health Services Complex as of 30th May, 1997, was:

(1) Construction work	\$ 9,738,310
(2) Consultant fees	1,258,984

(3) Project Management	542,983
(4) Medical equipment	725,537
(5) Furniture and furnishings	153,652
Total:	\$ 12,419,466

It is difficult at this time to give an accurate projected total cost as in a project of this magnitude and length of time, it is normal for unanticipated costs to arise. The contingency portion of the project budget is at present 2 per cent and we are considering raising this to the more typical construction rate of 10 per cent, as a prudent safeguard to cover, if necessary, unanticipated costs that have been incurred to date and those which may be incurred in the future. In the interest of keeping Honourable Members informed about this important project, I would like to give some typical examples of unavoidable costs we have faced or are likely to face. These are as follows:

- (1) Costs related to un-foreseeable ground conditions which required extra excavation, fill and structural modifications to the footings and foundations of the buildings.
- (2) Excessively bad weather, especially in November 1996 which impacted exterior work.
- (3) Increase in contractor's staff costs to be brought about by the Health Insurance and Pension plans.
- (4) Increase in project team's salaries in accordance with the increase in civil servants' salaries.
- (5) A change in the policy of Cable and Wireless which now requires the owner to pay for interior telephone wiring.
- (6) Contractor's costs related to potential prolongation of the above construction period due to additional work described above and to inclement weather.
- (7) A recent increase in the cost of cement.

The Cayman Islands' Health Services Complex Steering Committee is keeping expenditure on this project under continual review to contain costs wherever possible. But, as can be seen, situations beyond our control can arise when unavoidable increases in costs occur, and it is only sensible that we increase our contingency to have the funds available to meet any increase, should this be necessary.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Taking into account that the Honourable Minister is considering raising the contingency portion of the project budget from 2 to 10% as a prudent safeguard, against this background I wonder if

he is able to give some ballpark figure of what the total cost of completion will be for this project?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: The original cost was approximately \$26.2 million. If we use that contingency it will be an additional \$2 million, which will bring it up to \$28.8 million—that is, if we use all of that contingency.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Part of the answer provided by the Honourable Minister (No. 3 on page 2) reads, “**Increase in contractors’ staff costs to be brought about by the Health Insurance and Pension Plans....**” I wonder if he is able to say what amount this is calculated to be; what increase will be caused through health insurance and pension plans?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: That is not possible at this time, but once it is revealed I will share it with the Honourable Member.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: I would like to ask the Honourable Minister (who is also bringing the Bill with regard to Health Insurance) if in his opinion that is something which will affect salaries paid out by employers and other areas as well.

The Speaker: The Honourable Minister for Health.

Hon. Anthony Eden: I anticipate that this will have some impact. In these areas I would encourage people to look at the overall effect of the provision for pensions and health insurance. Just last year there was one individual for whom we had to provide services which cost over \$700,000. A person can pay less than \$20 per month for health insurance (if it is one employee). I see this as an investment in this area.

The Speaker: If there are no further supplementaries, the next question is No. 83, standing in the name of the Third Elected Member for George Town.

QUESTION NO. 83

No. 83: Mr. Linford A. Pierson asked the Honourable Minister for Agriculture, Environment, Communications and Works to provide a progress report on the status of the street-naming and property-numbering systems.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: All streets on Grand Cayman, Cayman Brac and Little Cayman have been assigned a name and address. As far as actually going door-to-door to notify property owners of their street names and numbers, Grand Cayman is at least 80 per cent completed. Before property numbers can be dispensed and additional street signs erected, legislation (which was passed at the last Meeting of the Legislative Assembly) has to be gazetted and brought into effect. Once this has been finalised, these processes will be implemented.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I wonder if the Honourable Minister can say whether there will be any cost involved to the home owners? Are people encouraged at this point to put up numbers on their homes, or should they wait until this is officially done by the people involved?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Mr. John McLean: I think it would be wise for homeowners to await the full exercise and the numbers assigned by Government, rather than ending up with different colours and different sizes of numbers, etcetera. Regarding the cost, it is my understanding that Government will have the signs made up and placed on doors of individuals.

The Speaker: The First Elected Member of George Town.

Mr. D. Kurt Tibbetts: Could the Minister describe the process by which the names of the streets were decided upon?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Mr. John McLean: A committee was formed, chaired by the Director of Lands and Survey, with representatives from all over the island. Each district had representatives on it. The naming process was carried out by these individuals.

The Speaker: If there are no further supplementaries, the next question is No. 84, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 84

No. 84: Mr. Roy Bodden asked the Honourable Minister for Tourism, Commerce and Transport whether any guests from the Cayman Islands were invited to the recent Caribbean Tourism Organisation's function held in New York.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: The answer is, yes.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister say how many guests took this invitation, and whether his Ministry or the Department of Tourism was responsible for any portion of the travel or accommodation expense?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: The invitation was issued by the Ministry of Tourism. A number of Members of this House were invited and the Government did pick up the cost of the accommodation, etcetera.

The Speaker: The Member for North Side.

Mrs. Edna M. Moyle: Would the Honourable Minister say the reason for inviting Honourable Members of this Parliament to New York at that particular time of the year is to allow them to visit with the public relation companies, and the Department of Tourism, to see exactly what is happening on behalf of the Cayman Islands Government in tourism?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: The invitations to Members of this Honourable House did not happen on the first occasion in 1997. It has been happening for the past five years. Rather than the Ministry, or the Department always talking to Members about what we are doing the intention is to invite Members to New York where the advertising agency and the public relations agencies are located in order for them to see the advertising programme firsthand and understand it, so that when the Ministry or the Department comes to this Honourable House for any money—whether it is the budget, or whether it is supplementary (Which we have not done so far!)—they understand the process and how the funds are being utilised.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Just a matter of clarification. I wonder if the Honourable Minister can say whether it is the intention of his Ministry to alternate the names of the Members who will be invited in the years to come?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: I believe some of the trouble that I have had in recent times was because some Members wanted to constantly go. They love to be in this exercise. I must say that since 1982 I have been invited to New York by previous Members of the Executive Council in order for me (at that stage, as Financial Secretary) to understand clearly what Tourism and the Department of Tourism (that is, the Portfolio of Tourism) were doing.

Yes, we have also been alternating among Members of the Backbench, and we continue to use the same objective as we have over the last five years. That is about all I can add to this.

The Speaker: If there are no further supplementaries, the next question is No. 85, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 85

No. 85: Mr. Roy Bodden asked the Honourable Minister for Tourism, Commerce and Transport whether there is any member of the Tourism Advisory Council who is not a Caymanian.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Mr. Speaker, very crisply, the answer is yes.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister tell the House what the criterion for the composition of this Council is?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: I think if we look at the Tourism Industry with an analytical eye we will see a number of persons who are not Caymanians are at very senior levels in hotels and other areas. It seems to me that it makes sense, not only in the Tourism Industry but also in the Financial Industry, that we all work together hand-in-hand for the betterment of the Caymanian people, and that is the objective under which this is done.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Minister say, that being the case, what steps are taken to ensure that those members have no conflicts of interest?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: On this occasion the Chairman of the Tourism of Advisory Council is the Minister for Tourism, and whenever it comes to my attention that someone has a conflict of interest when we are discussing an item, whether it is a non-Caymanian or a Caymanian, he (or she) would have to be excused from that discussion. However, I think it is right to say that as far back as I can remember (right back to the early 1970s) there have been Caymanians and non-Caymanians on the Tourism Advisory Council.

The Speaker: The next question is No. 86, standing in the name of the Third Elected Member for Bodden.

QUESTION NO. 86

No. 86: Mr. Roy Bodden asked the Honourable Minister for Tourism, Commerce and Transport whether the Department of Tourism or the Ministry was in any way associated with the attempt of Francisco "Pipin" Ferreras to set a new world free-dive record on 31st May, 1997.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Mr. Speaker, the answer is no.

The Speaker: Are there any supplementaries? (*pause*) If not, the next question is standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 87

No. 87: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture if the Kirkconnell Community Care Centre (otherwise known as Cayman Brac Rest Home) owns a patient lift?

The Speaker: The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: No, the Kirkconnell Community Care Centre does not own a patient lift.

SUPPLEMENTARIES

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: I wonder if the Honourable Minister can say whether or not the need has arisen for the acquisition of such piece of equipment?

The Speaker: The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: It is hoped that we will be able to purchase one if funds are provided. The Programme Supervisor will be looking into the cost of such equipment, and will make recommendations as to the most appropriate type of equipment to acquire. So, yes, there is a need for one.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: As he just referred to funds being provided, can the Minister state if this is a situation whereby supplementary expenditure would have to be asked for?

The Speaker: The Honourable Minister for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: Yes, Mr. Speaker. Funds are not in this year's budget.

The Speaker: If there are no further supplementaries, the next question is No. 88, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 88

No. 88: Julianna O'Connor-Connolly asked the Honourable Minister for Tourism, Commerce and Transport if he could state whether any employee of the Department of Tourism in Cayman Brac has tendered his/her resignation?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

DEFERMENT OF QUESTION NO. 88

Standing Order 23 (5)

Hon. Thomas C. Jefferson: Mr. Speaker, under Standing Order 23(5), I ask the leave of the House to defer this question to another day. I do have an answer, but I also have additional information which is not included in the answer, and I would like to put the two together.

The Speaker: The question is that the answer to question No. 88 be deferred until a later Sitting. I shall put the

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

AYES.

The Speaker: The Ayes have it.

AGREED. QUESTION NO. 88 DEFERRED UNTIL A LATER SITTING.

The Speaker: The next question is No. 89, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 89

No. 89: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation to provide the number of visits the Government Dentist made to the Cayman Brac Dental Clinic since 1st April, 1997, to present?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: Between 1st April, 1997, and 5th June, 1997, the Government Dentist has made 11 regular weekly visits to the Cayman Brac Dental Clinic. Most visits have been for two or three days, and the total number of days he was in attendance is 22. During that time the dentist saw an average of 13 patients per day and provided the same range of general dental services as is provided at the George Town Dental Clinic.

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister state if he knows it to be a fact that the Dental Clinic is satisfied that the service being afforded to the Brac is up to scratch and totally satisfactory to the people of the Brac?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: Mr. Speaker I have not had any adverse information to that effect; but if there is anything I will certainly look into it. We do plan to continue upgrading, and we hope to get it to the standard we have here in George Town.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: I wonder if the Honourable Minister can say how long the present dentist is

anticipated to be servicing as he is presently? Is it a temporary arrangement or is it anticipated for a longer period of time?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: It is temporary until we can get something more permanent put into place.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Minister state if his last answer means that Government is looking into having a dentist stationed permanently at the Cayman Brac Dental Clinic?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: I do not feel that at this time it would be cost-effective to have a dentist stationed there full-time, but as the demand increases, we will address it accordingly.

The Speaker: That concludes Question Time for this morning. I will ask for the suspension of Standing Orders so that we can take the Monetary Authority Bill. The Honourable Third Official Member.

SUSPENSION OF STANDING ORDER 46

Hon. George A. McCarthy: Mr. Speaker, I beg to move the Suspension of Standing Order 46 to allow a Bill entitled, The Monetary Authority (Amendment) (Membership) Bill, 1997, to be taken.

The Speaker: The question is that Standing Order 46 be suspended to allow the Bill to be taken. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: STANDING ORDER 46 SUSPENDED TO ENABLE THE MONETARY AUTHORITY (AMENDMENT) (MEMBERSHIP) BILL, 1997, TO BE READ.

GOVERNMENT BUSINESS

BILLS

FIRST READING

THE MONETARY AUTHORITY (AMENDMENT)(MEMBERSHIP) BILL, 1997

Clerk: The Monetary Authority (Amendment) (Membership) Bill, 1997.

The Speaker: The Bill is deemed to have been read a first time and is set down for second reading.
Second Reading.

SECOND READING

THE MONETARY AUTHORITY (AMENDMENT)(MEMBERSHIP) BILL, 1997

Clerk: The Monetary Authority (Amendment) (Membership) Bill, 1997.

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: I beg to move the Second Reading of a Bill entitled, The Monetary Authority (Amendment) (Membership) Bill, 1997.

This Bill amends the Monetary Authority Law 1996, by increasing the number of members of the Board of Directors by two, and by increasing the quorum of the Board from three to four members. As this Honourable House is aware, the Board is currently made up of the Financial Secretary, as Chairman, and four other Directors. These Directors include: a representative of the Bank of England, a representative from the Solicitor General's office, the Managing Director of the Monetary Authority, and one private sector member.

Mr. Speaker, this Honourable House is very much aware of the significant contribution that has been made by Sir Vassel Johnson to the financial industry. In fact, he is often referred to as the father of the financial industry.

Sir Vassel has been approached, and he has agreed, to become a member of the Board of the Monetary Authority. This will add strength to the structure of the Board, and, overall, it will be in the interest of the Monetary Authority to have a person of such standing as a member of the Board. Accordingly, this Bill is presented for Honourable Members' consideration and support.

The Speaker: The question is that a Bill entitled, The Monetary Authority (Amendment) (Membership) Bill, 1997, be given a second reading. It is now open for debate. *(pause)*

If there is no debate, would the Honourable Mover wish to reply?

Hon. George A. McCarthy: Mr. Speaker, I cannot add anything more at this stage. I can only thank Honourable Members for their support.

The Speaker: The question is that a Bill entitled, The Monetary Authority (Amendment) (Membership) Bill,

1997, be given a Second Reading. Those in favour please say Aye.... Those against No.

AYES.

The Speaker: The Ayes have it. The Bill has been given a Second Reading.

AGREED: THE MONETARY AUTHORITY (AMENDMENT) (MEMBERSHIP) BILL, 1997, GIVEN A SECOND READING.

The Speaker: The House will now go into Committee to consider The Monetary Authority (Amendment) (Membership) Bill, 1997.

HOUSE IN COMMITTEE

COMMITTEE ON BILL

THE MONETARY AUTHORITY (AMENDMENT) (MEMBERSHIP) BILL, 1997

The Chairman: The Clerk will now read the Clauses.

Clerk: Clause 1 Short title.
Clause 2 Interpretation.
Clause 3 Increase of membership.
Clause 4 Increase of quorum.

The Chairman: The question is that Clauses 1 through 4 do stand part of the Bill. If there is no debate, I shall put the question. Those in favour please say Aye... Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSES 1 THROUGH 4 PASSED.

Clerk: A Bill for Law to amend the Monetary Authority Law, 1996.

The Chairman: The question is that the title do stand part of the Bill. Those in favour please say Aye... Those against No.

AYES.

The Chairman: The Ayes have it.

THE TITLE PASSED.

The Chairman: That concludes proceedings in Committee. The question is that the Committee do report to the House. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: BILL TO BE REPORTED TO THE HOUSE.

The Chairman: The House will resume.

HOUSE RESUMED AT 11.10 AM

The Speaker: Please be seated.
Reports. The Honourable Third Official Member.

REPORT ON BILL

THE MONETARY AUTHORITY (AMENDMENT) (MEMBERSHIP) AUTHORITY BILL, 1997

Hon. George A. McCarthy: I am to report that a Bill entitled, The Monetary Authority (Amendment) (Membership) Authority Bill, 1997, was considered by a Committee of the whole House and passed without amendment.

The Speaker: The Bill has accordingly been set down for third reading.

The next item is Government Motion No. 6 of 1997, The Standing Business Committee. The Honourable Minister for Education, Aviation and Planning.

MOTIONS

GOVERNMENT MOTION NO. 6/97

THE STANDING BUSINESS COMMITTEE

Truman M. Bodden: Thank you Mr. Speaker, I wish to move Government Motion No. 6 of 1997, which reads:

BE IT RESOLVED that Government Motion No. 1 of the November 1996 Session of this Honourable House being the appointment of the Standing Business Committee be hereby amended by the addition of a new paragraph (f) after paragraph (e) in the first paragraph of the resolution the following: '(f) to inform the Clerk the order in which laws should be set down on the Order Paper and that all other provisions thereof are hereby passed and confirmed as is set out herein in full.

The Speaker: Government Motion No. 6 of 1997, Standing Business Committee, has been duly moved. Do you wish to speak to it?

Hon. Truman M. Bodden: Mr. Speaker this is just a very short Motion that adds to the list one area which I felt should be specific in the Motion.

The Speaker: Thank you. Does any other Member wish to speak? (*pause*) If there is no debate I shall put the

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

AYES.

The Speaker: The Ayes have it.

AGREED: GOVERNMENT MOTION NO. 6/97 PASSED.

The Speaker: The Chairman of the Standing Business Committee is, of course, the Honourable Minister for Education, Aviation and Planning.

Government Motion No. 7/97. The Honourable Minister for Education, Aviation and Planning.

GOVERNMENT MOTION NO. 7/97

STANDING HOUSE COMMITTEE

Hon. Truman M. Bodden: Mr. Speaker, I wish to move Government Motion No. 7/97, the Standing House Committee, which reads as follows:

BE IT RESOLVED that Government Motion No. 2 of the November 1996 Session of this Honourable House, being the Appointment of the Standing House Committee, is hereby amended by increasing its composition to six Members, but that all other provisions thereof are hereby passed and confirmed as if set out herein in full and that Mrs. Edna M. Moyle, MLA, JP, be now appointed as the sixth Member thereof.

The Speaker: Government Motion No. 7/97 has been duly moved. Does the Minister wish to speak further on it?

Hon. Truman M. Bodden: Thank you, Mr. Speaker. This Motion basically adds one extra Member to the House Committee, and it is to that effect that I have moved this amendment, sir.

The Speaker: Does any other Member wish to speak? The Third Elected Member for Bodden Town .

Mr. Roy Bodden: Mr. Speaker, I noticed also that when this Committee was originally comprised, there was no vote taken. So it would seem to me that the House would need to rectify this matter, and this occasion would seem to be the appropriate one for us to have the composition of this Standing House Committee legally and appropriately constructed.

I could say other things, but I bring this to the attention of the Chair and hope that we can have this matter effected.

The Speaker: Does any other Member wish to speak? Would the Honourable Minister wish to address that point?

Hon. Truman M. Bodden: Just very briefly, Mr. Speaker, to thank the Member who spoke and those who did not. This basically adds one other Member, and it confirms the balance of the Resolution before the House.

The Speaker: I shall now put the question. Those in favour please say Aye.... Those against No.

AYES.

The Speaker: The Ayes have it. The Motion has been passed.

AGREED: GOVERNMENT MOTION NO. 7/97 PASSED.

The Speaker: Government Motion No. 8/97, The Development and Planning Law (Amendment No. 2) Regulations, 1997. The Honourable Minister for Education, Aviation and Planning.

GOVERNMENT MOTION NO. 8/97

THE DEVELOPMENT AND PLANNING LAW (AMENDMENT NO. 2) REGULATIONS, 1997

Hon. Truman M. Bodden: Thank you Mr. Speaker. I wish to move Government Motion No. 8 of 1997, the Development and Planning Law (Amendment No. 2) Regulations, 1997, which reads:

WHEREAS it is desirable that the Development and Planning Regulations (1995 Revision) be amended to increase the height of five-storey buildings to permit additional space between floors and ceilings for electrical and engineering services and to allow developers flexibility to increase standard room heights;

BE IT RESOLVED THAT the (attached) draft regulations entitled Development and Planning (Amendment No. 2) Regulations, 1997, now being laid before the Legislative Assembly be hereby approved in accordance with section 38 of the Development and Planning Law (1995 Revision).

That is the Motion which I so move.

The Speaker: Does the Minister wish to speak further on the amendment?

Hon. Truman M. Bodden: Mr. Speaker, the explanation on it is really set out in the Motion. The number of storey's is not being increased, but the height these days is important in that utilities and electrical and other things go on the ceiling rather than into floors or into the actual concrete... or on the roof as one Member mentioned. This will also allow the actual room space on the floors to be higher than it would otherwise be. It has been a problem for some time, thus my moving this Motion at present.

The Speaker: Does any Member wish to speak to the Motion? Third Elected Member for George Town.

Mr. Linford A. Pierson: My comments will be relatively short on this, as, in principle, I have no objection to this amendment. However, I wonder why at this point in time it is deemed necessary to once again bring this type of piecemeal amendment to the House, when in fact the Development and Planning Law (Amendment No. 2) Regulations, 1997, are now being considered by a committee which has been in process for quite a long time. I wonder whether or not this would not have formed the proper basis for an agenda item for such a committee rather than being brought here to have this amended in this sort of fashion.

I understand, of course, that the storeys on the buildings will not be increased. Nonetheless, I do note in paragraph 2 of the amendment that the word "fifty-five" will be deleted and replaced by the word "sixty-five." I can only take it that that has to relate to the height of the building. Perhaps the Honourable Minister moving the amendment would clarify that point.

As I said, I have no major objections to this—as a matter of fact I support the amendment. But I wish to make those few observations.

The Speaker: Does any other Member wish to speak? Does the Honourable Minister moving the Bill wish to reply?

Hon. Truman M. Bodden: Yes, Mr. Speaker. The fifty-five and sixty-five does relate to feet. What I would say to the Honourable Member who spoke is, thank you for supporting it, but this amendment should have been done a long time ago. Secondly, what is being dealt with this year will be the Development Plan. The Law on the Regulations will subsequently be amended, but the first thing to come here will be the Plan.

My father always told me: 'Never leave for tomorrow what you can do today.' I take that approach. If something is necessary, even if it is piecemeal, I would rather do it now than wait another year and then find that the building is built at or just above sea level (which makes it subject to hurricane problems and flooding) in an effort to stay within what the Law mandates, which is 55 ft.

This Motion can only help, it cannot hurt. I would really ask all Members to please support it. I undertake, once the Plan is through, to come with regulations and amendments to the Law.

The Speaker: I shall now put the question. Those in favour please say Aye.... Those against No.

AYES.

The Speaker: The Ayes have it. The Motion has accordingly been passed.

AGREED: GOVERNMENT MOTION NO. 8/97 PASSED.

**APPOINTMENT OF CHAIRMAN TO THE STANDING
HOUSE COMMITTEE
(Government Motion No. 7/97)**

The Speaker: I would like to make one statement on Government Motion No. 7/97, The Standing House Committee. I will leave the appointing of the Chairman to the House Committee at its first meeting.

That concludes the business on the Order Paper for today. I will now entertain a motion for the adjournment of this Honourable House.

ADJOURNMENT

Hon. Truman M. Boddin: Mr. Speaker I move the adjournment of this Honourable House until Wednesday at 10.00 A.M.

May I just say that I had not expected that we would have finished this early, otherwise the Committee may have been able to put further business on the Order Paper. It is not always possible to estimate the length of time each of the 18 Members will speak, but I would like to thank the Members very much for their cooperation. Days like this are really progressive, sir. Thank you.

The Speaker: The question is that the House do now adjourn until Wednesday at 10.00 A.M. Those in favour please say Aye... Those opposed No.

AYES.

The Speaker: The Ayes have it. The House is now adjourned until 10.00 AM. Wednesday, 11th June, 1997.

AT 11.26 AM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM WEDNESDAY, 11TH JUNE, 1997.

**EDITED
WEDNESDAY
11TH JUNE, 1997
10.30 AM**

The Speaker: I will ask the Member for North Side to say prayers.

PRAYERS

Mrs. Edna M. Moyle: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed. Questions to Honourable Members/Ministers.

Question No. 90, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

QUESTION NO. 90

No. 90: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture what procedure is in place for reporting injuries and/or illness of patients of the

Kirkconnell Community Care Centre to their immediate families.

Mrs. Julianna O'Connor-Connolly: Perhaps this question can be set aside until the Honourable Minister is in place to respond.

The Speaker: In view of the Minister's absence, that would be appropriate. Is that the wish of the House? Thank you.

**DEFERMENT OF QUESTIONS NOS. 90 AND 91
Standing Order 23(5)**

The Speaker: We will go on to question No. 92, which stands in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 92

No. 92: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation to state the delivery date of the additional ambulance for the Faith Hospital and Cayman Brac.

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

**DEFERMENT OF QUESTION NO. 92
Standing Order 23(5)**

Hon. Anthony Eden: Under Standing Order 23 (5) I ask that this question be deferred until a later date in this meeting.

The Speaker: The question is that this question be deferred. Those in favour say Aye... Those against No.

AYES.

The Speaker: The Ayes have it. The question is deferred until a later sitting.

AGREED: QUESTION NO. 92 DEFERRED UNTIL A LATER SITTING.

The Speaker: Question No. 93, standing in the name of the First Elected Member for George Town.

QUESTION NO. 93

No. 93: Kurt Tibbetts asked the Honourable Minister for Agriculture, Environment, Communications and Works if any Road visits have been made for the District of George Town since November 1996.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John McLean: There has not been an official Road visit made for the district for George Town since November 1996.

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister state if there are any plans to do such a visit in the very near future?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John McLean: It is my understanding that quite a few unofficial visits have been made. I have actually visited some myself at the request of the Honourable Minister for Education. But as a group, no.

Road visits will definitely be carried out, and we have started already. Due to the fact that the last Meeting of the House was quite long, the only visit that has been done is the visit to the Bodden Town District.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: The Honourable Minister has just said that visits were made on the request of the Honourable Minister of Education. Can the Minister state if other Representatives for the districts can ask for such visits at any time?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John McLean: Mr. Speaker, I tried to make that as clear as possible. I said it was not an official visit. There were two occasions that the Honourable Minister for Education asked me to look at roads in his district. As far as I am concerned, any Member of this Legislative Assembly has a right to make such a request.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister give an undertaking that if other Representatives from the district make such a request he will do everything possible to accommodate them?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John McLean: I would like to ask that Member if at any time I have not?

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Mr. Speaker, with the greatest of respect, I asked the question—I did not ask to be asked one. (*Interjections*)

Mr. Speaker, I repeat, I asked a question and I do believe I deserve an answer.

The Speaker: Would you please repeat the question?

Mr. D. Kurt Tibbetts: Yes, Mr. Speaker. I asked if the Minister would give an undertaking that if other Representatives from the District made similar requests, that he would do his very best to accommodate such requests.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John McLean: Mr. Speaker, I have said that I always do.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you. I wonder if the Honourable Minister could state if it is a fact that the monies allocated in the 1997 Budget for roads in the district of George Town have already been mostly expended on continued 1996 works leaving hardly any money left for 1997.

The Speaker: I am not really sure that that comes out of the substantive question. If the Minister wishes to answer he may. The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John McLean: Mr. Speaker, I abide by your ruling. It is not part of the question.

The Speaker: The Third Elected Member for Bodden Town

Mr. Roy Bodden: Can the Honourable Minister clarify the difference between an 'official' and an 'unofficial' visit?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John McLean: What I consider an official visit is exactly what I did with that same Member just a few weeks ago.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Are we to understand that requests for road works can be tendered as a result of official visits and also as a result of unofficial visits?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John McLean: Any time during the year that any Member calls my Ministry, or me, and complains of a problem within their district—regardless of whether we want to call it official or unofficial—if it is brought to my attention and I am asked to look at it, that is exactly what I will do. In turn, I will go to the Public Works Department and, if the funds are available, I will try to have it corrected.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Mr. Speaker, I was wondering if the Minister would undertake to do an official visit in the near future, since it is now the month of June, undertaking to include all the Representatives of the district of George Town.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John McLean: Mr. Speaker, as I have stated, this has been the norm for many years. Unfortunately, this time we were tied up in here and I have only been able to do one official visit which has been to the district of Bodden Town.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Mr. Speaker, with all due respect, the question was, really, if the Minister would undertake to visit in the near future. If he does not have the time, he can say he does not have the time, and I will understand.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John McLean: Mr. Speaker, I am not going to say I do not have the time. I said that we were busy in here. It has been the norm for us to visit all districts—and this will be done.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: I would like to ask the Minister if we can expect an official visit before the month of November.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John McLean: If a visit is not carried out before the month of November, we might as well wait until next year. So I trust that it will be before that.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: We seem to be having an adversarial exchange here. I wonder if the Honourable Minister

would undertake to prepare a schedule of visits so that Members would know in advance approximately what time these visits would be made, so that they could attend those visits with the Honourable Minister.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John McLean: As I mentioned, we visited Bodden Town, and that is the way it was done. So, definitely, whatever district we are going to visit, the Members would have to be notified in advance.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you. In the supplementary answers which the Honourable Minister has given mention was made of 'official' and 'unofficial' visits. For purposes of clarity, can the Minister outline for the Representatives exactly what the proper procedure is with regard to getting any road works done in their districts?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John McLean: Mr. Speaker, I was on the Backbench too—as an Opposition Member—and it did not stop me from making a formal request to Members of the Government. As a matter of fact, one is sitting over there now and he knows that is a fact. I wrote my request to him each time. Once I visited my district and saw what was necessary, I had no guarantee it would be done, but I requested it. So, as far as I am concerned, any Member has that right to submit requests. Then, it is left to Government to construct.

The Speaker: Any further supplementaries? If not, we will go on to question No. 94, standing in the name of the First Elected Member for George Town.

QUESTION NO. 94

No. 94: Mr. D. Kurt Tibbetts asked the Honourable Minister for Agriculture, Environment, Communications and Works if Government has received any application to import a new distributor truck for the spreading of asphalt.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John McLean: Yes. On April 30th, 1997, Government received an application from Quarry Products, a company with a valid Trade & Business Licence in the category of "Civil Engineering Contractors, Production and Placing of Hot and Cold Mix Asphalt and Chip and Spray Road Surfacing" for permission to import a new Etnyre Distributor Truck for their business.

Quarry Products has had a Business Licence and been in the road surfacing business for the past 12 years. For reasons known only to Quarry Products, the company

requested the application to be withdrawn on 14th May, 1997.

The Speaker: Are there any supplementaries? If not, we will go on to question No. 95, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 95

No. 95: Mr. Roy Bodden asked the Honourable Member responsible for Finance and Development what Government's policy is regarding travel expenses and allowances, as it relates to official travel.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: The present system which provides for civil servants travelling abroad on official business is that the Government meets the cost of airfares, airport to hotel travel, accommodation and meals. A per diem allowance is provided in addition to cover the cost of local travel and other incidental expenses. This is CI \$50 per day for officers in the super scale, and CI \$35 per day for other officers.

Generally, officers claim overseas travel advance for their estimated expenses. Upon their return they submit a claim with supporting proof of expenses. The balance of monies due to either the Government or the civil servant is then settled.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member say if there are any instances in which there may be variations of this policy?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: This policy is applied uniformly throughout the Civil Service without any variation.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member say if there is a time limit placed on the settlement of the difference in monies?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: The normal time allowed for settlement is one week.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member say what the procedure is in instances where the settlement is not forthcoming within this time?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: Mr. Speaker, where settlement is not forthcoming within a week, the Treasury will follow up with the officers concerned. If settlement is not made within a reasonable period the Treasury has the recourse to make a deduction from the officer's salary.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Are there any penalties or sanctions imposed as a result of delinquent payments, or is it a system where the exact amount is deducted?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: There are no penalties for late settlement, just the nominal amount that is due.

The Speaker: If there are no further supplementaries, question No. 96, is standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 96

No. 96: Mr. Roy Bodden asked the Honourable Third Official Member responsible for Finance and Development whether there are any outstanding customs duties owed by any large hotels in the Cayman Islands?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: There are no outstanding customs duties owed by any hotel in the Cayman Islands.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Is there any arrangement with any of these hotels whereby their imports are held in bond and the duties paid upon the use or claim of such goods, or is it the case where all duties are paid upon entry into the island?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: No arrangements exist for inbound facilities to accommodate imports by any of the hotels operating within the Cayman Islands.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Sometime ago there was a difference of opinion regarding duties on some furniture imported by the Westin Casuarina Hotel. Has that matter been settled to the satisfaction of the Government?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: I would say that the matter has been settled, but not necessarily to the entire satisfaction of the Government. Following an exhaustive review of the circumstances the Legal Department advised that there was no firm basis on which a claim could be pursued against the hotel in question.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member say whether the House is to understand that the matter has to be accepted by the Government?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: Based on the advice that has been rendered it would not be advisable for the Government to pursue the matter further. As a result, the duty that would otherwise be applicable to the furniture and fittings in question would have to be foregone.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: May I ask the Honourable Member what policy the Government has implemented so that this ambiguity may be alleviated in future instances?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: This was a one-off exception. We hope that this will not occur again in future. Whenever decisions are taken by Executive Council, their decisions will be specific in terms of what exemptions should be allowed. The decision that was taken was specific, only that consideration was given on the importation of goods for another hotel by the same developers, and they applied for the same exemptions to be allowed. It was on that basis that the Customs Department arrived at the conclusion that the same exemptions given previously were also extended to this hotel in question. It is a matter of ensuring that full

compliance is made with the specific instructions that are given by Executive Council.

The Speaker: Are there no further supplementaries? I note that the Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture is still not in the Chamber. Has any Honourable Minister been empowered to answer question No. 90 or question No. 91?

Mrs. Julianna O'Connor-Connolly: Perhaps those questions can be put down on another Order Paper at a later date.

DEFERMENT OF QUESTIONS NOS. 90 AND 91 Standing Order 23(5)

The Speaker: I shall put the question that the answer to questions Nos. 90 and 91 be deferred. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: QUESTIONS NOS. 90 AND 91 DEFERRED UNTIL A LATER SITTING.

The Speaker: That concludes Question Time for this morning. The next item is Statements by Honourable Members/Ministers.

The Honourable Minister for Education, Aviation and Planning.

STATEMENTS BY HONOURABLE MEMBERS/MINISTERS

CAYMAN AIRWAYS LIMITED

Hon. Truman M. Bodden: This a statement to the Legislative Assembly. As the National Flag Carrier of the Cayman Islands, Cayman Airways Ltd. is very important and very near and dear to the hearts of most Caymanians. Thus it is only right that any discussion of Cayman Airways takes place within the proper historical context.

Cayman Airways is undeniably an integral part of the national infrastructure of the Cayman Islands. It is a vital element of the local economy, underpinning and supporting both the tourism and financial industries. It is important that we consider where the Airline has come from over the past few years, where it is today, and where we as a country want to be on the eve of the next century.

Where did Cayman Airways come from 1988 to 1992?

As Members of the Legislative Assembly should be aware, Cayman Airways was in serious financial difficulties for several years prior to 1993. It was clear to all that the Airline could not continue to sustain massive losses and expect Government to pay the bills. During the period of 1983 to the end of December 1992 the Airline had total

accumulated losses of US\$36,962,559, and had spent all of the \$12.5 million received from the sale of the Boeing 727-200 in 1989. Also, in 1989 CAL reported a profit of \$976,662, the first profit in several years.

When this Government took over in December 1992, I found Cayman Airways in a horrible financial state. I acted decisively to turn the Airline around. A new Managing Director was appointed, and we quickly set out to sort out the financial mess that we had inherited. In December 1992 Cayman Airways had contingent liabilities of over \$73 million categorised as follows: \$45.5 million to ILFC; \$6.7 million to GPA to break the lease and for them to take back their two aircraft of which \$110 million future rental had been a contingent liability before the breach of the lease of the two 737-400s with GPA; and a further \$21 million to GPA for the lease of the same two aircraft beginning in February 1994.

In December 1992 we reviewed the Airline's Budget estimate for 1993 prepared by the previous Managing Director and found a forecast loss at the end of 1993 of approximately \$12.8 million. Under the new Managing Director and the existing Board of Directors the Airline was downsized, restructured, and given a new lease on life. By the end of 1993 we had produced a projected loss of US\$3,988,387, thereby saving the Government almost \$8 million.

At the time, Government's commitment to the Airline was to recapitalise the Airline with a once off investment of \$20 million—which the previous Government had authorised, but were unable to raise as a loan because of their bad credit record—and to continue to subsidise the Airline through an annual subsidy of \$4 million.

It is very important to remind Members that this Government did not simply hand the US\$20 million over to Cayman Airways' previous management for them to further squander, as was done with the previous US\$12.5 million profit from the unfortunate sale of the Boeing 727-200s in 1989 (the first time since 1983 that CAL had made a profit). Every cent of that \$12.5 million was gone within a year.

On the contrary, every dollar of the \$20 million went to pay past debts. Not one dollar of the \$20 million was available to the new Managing Director as working capital. And that was still not the end of it. After all I have just described there was still US\$19,294,287 of liabilities remaining. Yes, in 1993 after paying off \$20 million of debts we still inherited a balance of over \$19 million in debt from the previous Government.

Since the end of 1992, we have been able to reduce the liabilities from US\$19,294,287, to \$15,150,843 in 1995, for an overall reduction of \$4,143,444. For the first time in five years Cayman Airways reported a small profit of US\$1,568,473 in 1994. In 1995 the Airline reported a loss of US\$1,181,240, and in 1996 an unaudited report puts the loss at approximately \$1.6 million.

It is also important to consider the performance of the last three years in their proper context. During this time Cayman Airways has worked diligently at improving its overall performance. It has systematically worked at reducing its debt; it has awarded three pay increases to staff; it has consistently made lease payments on the Boeing 737-

200 aircraft (registered as VR-CAL and owned by the Government).

A point to note is that Government purchased the aircraft, and as a result of CAL's payments the Government has built up equity of over \$1.75 million in an asset that has appreciated some \$2 million above its purchase price (according to analysts in the airline industry). Consequently, less than US\$3 million remains outstanding on the loan used to purchase the aircraft.

CAL has remained current with all of its external creditors and in 1996 the Board approved \$100,000 for a Management Training and Staff Development Programme. Also, in 1996 the entire staff of Cayman Airways Ltd. took part in developing a Vision and Strategic Plan for the national carrier. This plan was approved by the Board in October 1996, and later ratified by Executive Council.

Where we are now in 1997.

However, by the end of 1996 it was evident the Airline was headed for its second year of consecutive losses, and the preliminary Budget Estimates for 1997 had forecast a loss of US\$2.6 million. I decided to take the situation in hand at once. Unlike the previous Government, I refused to let the problems escalate to the point where the Airline was once again losing as much as \$14 million a year.

In February 1997, the Board took the decision to ask the former Managing Director, Mr. Ray Wilson, to return to Cayman Airways Ltd. to lead a quick turnaround exercise. Since his arrival, Mr. Wilson, working closely with the General Manager Mr. Mike Adam, has been able to reduce costs by \$2.6 million, and the budget now forecasts a small profit at the end of 1997.

However, what has become clear to the Managing Director, the General Manager, the Board of Directors and the Ministry, is that the financial problems faced by Cayman Airways in 1997 are not of a nature that we can downsize our way out of; neither can we significantly reduce costs any further. The Airline's survival is now critically dependant on its ability to generate revenues. In order to generate revenues the Airline needs to have sufficient working capital.

Cayman Airways Ltd in the 21st Century

Where does Cayman Airways go from here? The Ministry, Board, and Managing Director began with CAL 21, the Strategic Plan developed by the Airline's own staff over a period of eight months in 1996. In CAL 21 the staff produced a new mission statement which, as part of the plan, was also approved by the Board and ExCo. The new mission statement of Cayman Airways is, and I quote:

“The mission of Cayman Airways Ltd., the National Flag Carrier of the Cayman Islands, is to advance the national economic interests by operating a world class airline that is characterised by safety. Premier service in the movement of passengers and goods, aggressive marketing of international and domestic routes, professional and visionary manage-

ment, and responsiveness to our customers, business partners, share holders, employees, and community.”

CAL 21 outlines nine strategies necessary to achieve this mission:

(1) We will ensure safety is paramount in all of our operations.

(2) We will ensure premier service.

(3) We will develop and optimise our human resources.

(4) We will develop and implement an aggressive marketing plan to achieve our mission and our objectives.

(5) We will create and maintain systems which produce timely and accurate information to ensure effective communication and decision making.

(6) We will guarantee visionary and professional management throughout the organisation.

(7) We will advance economic interests of Cayman Brac and Little Cayman consistent with our mission.

(8) We will develop and implement a political and legal programme to the benefit of Cayman Airways Ltd.

(9) We will create and implement a comprehensive financial plan to maximise profitability.

At the Annual Strategy Meeting of the Board, Cayman Airways Ltd's directors critically assessed the current operation. The Board agreed the Airline's current performance and levels of service were still a long way from the Airline described in the mission statement. In fact, the Board acknowledged that CAL in its present mode was not in harmony with the image being projected by the Minister and Department of Tourism—that image of Cayman as a premier vacation destination—nor was it in harmony with the image being projected by the Financial Secretary—that of Cayman as a leading offshore financial centre.

The Board concluded that the only type of Airline it could endorse and support was a safe world class (or Caymanian class) Airline that fully represents the best of Cayman. In all fairness, it was also the only type of Airline I could ask the shareholders and people of the Cayman Islands to continue to so faithfully support. The Board then reaffirmed its commitment to the CAL 21 mission.

The Board determined that in order to re-create the national Airline and produce a world class airline envisioned by the staff in CAL 21 it has become necessary to make significant improvements in the product. Similarly, it would be necessary to aggressively promote the new Cayman Airways both locally and internationally, and to continue the training programme already in place.

It is daunting to consider the Cayman Islands without its national carrier. Cayman Airways is, as I have frequently stated, the insurance policy for the entire economy. It is a way by which Government can guarantee to the tourism industry and investors the continuity of access to the islands. Cayman Airways is the way in which we ensure that Cayman is always accessible at a reasonable cost. The dangers of depending on a monopolistic foreign carrier to solely underpin our economy are simply not acceptable.

We have only to look at the past to see how tenuous the commitment of foreign carriers to these islands was. More recently—in February, with the threat of the scheduled American Airlines strike looming—we witnessed the

panic and crisis faced by other Caribbean countries which depended entirely on foreign carriers. Fortunately, we had Cayman Airways, which would have kept Cayman open and accessible, and which would have also been able to increase its frequencies in order to move passengers.

A final point, which few of our critics consider, is the commitment of the national carrier to Cayman Brac and Little Cayman. In the absence of Cayman Airways Government would still be obliged to ensure high quality air transportation to Cayman Brac and Little Cayman.

Turning now to the recent staff matters. The decision to restructure the management of Cayman Airways meant that one senior member of staff resigned, and two others had their employment terminated in Grand Cayman. No member of staff was fired or dismissed. Two were terminated and one resigned.

This decision to restructure management was deemed by the Board to be essential for CAL's future success, and was balanced against the potential loss of some 250 jobs held by Caymanians if CAL was to fail and go under. It is important to point out that over a year ago when the staff of the Airline developed the strategic plan, the need for what they termed 'professional and visionary management' was so strong that staff highlighted it in three separate areas of the plan. First, in an internal assessment of the organisation, staff deemed management at the Airline to be an organisational weakness. Secondly, in the mission statement the staff called for, and I quote, **“...a world class airline that is characterised by amongst other things, a visionary, and professional management.”**

Thirdly, staff also felt that effective management was so important to the achievement of the mission, that they developed an entire strategy separate from the human resources strategy to ensure the Airline had visionary professional management in place.

The three managerial staff members who are no longer with the company were fully and fairly compensated. Payments were made in accordance with the law. I thank them for their years of service with Cayman Airways Limited.

The decision by the Board of Directors was taken in the overall best interests of the Airline and its other 250 plus Caymanian employees. As outlined in the CAL 21 plan, management was also concerned for the staff. Unless early corrective measures are taken to reduce the losses (while the losses remain relatively low) the Airline could drift into the huge losses of \$14 million, as was the case in 1991. The people of the Cayman Islands cannot afford the losses to return to the 1991 levels.

I support the Board of Cayman Airways Limited, I support its Managing Director, and its General Manager. I believe that Cayman Airways, with the continued efforts and team work of its staff, will fulfil its mission and continue to serve the Cayman Islands as a national flag carrier. Cayman Airways, after all is said and done, is not just another Airline, it is our Airline. I urge all of you to pledge your support to our national airline—Cayman Airways Limited. Thank you.

SHORT QUESTIONS
Standing Order 30(2)

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Mr. Speaker, in accordance with Standing Order 30 (2), I wish to ask the Honourable Minister making that statement a few short questions.

The Speaker: I would like to address that Standing Order. Standing Order 30 (2) says **“No debate may arise on such a statement but the Presiding Officer may, in his discretion, allow short questions to be put to the Member making the statement for the purpose of clarification.”** For this purpose please continue, Third Elected Member for George Town.

Mr. Linford A. Pierson: Mr. Speaker, having heard what sounded like CAL's obituary read by the Minister, I wonder if he could tell this Honourable House what the accumulated losses are as at the 31st December, 1996, or the most recent figures if those figures are not available. Secondly, is he in a position to say exactly how much funding CAL will need in the very near future?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, what I read was CAL's revival and survival from the doomsday period which that Honourable Member left the Airline in, in 1991. The accumulated losses now are approximately the same as what that Honourable Member left the Airline with in 1992 overflowing into 1993. It has accumulated over the years to the region of \$40 million.

During my time, the profit I made has offset the losses made in those two years. I would like to point out that in August of last year, we had a profit of approximately \$900,000. The political attacks and antagonism on Cayman Airways, during a period when I was unable to keep as close an eye on it as I could, resulted in Cayman Airways losing \$1,051,619 in September last year, and in October, \$1,025,221.

The majority of losses in 1996 were made just before the elections when political pressure was tearing Cayman Airways apart. I would like to repeat, sir, that during my time not only has the profit substantially equalled the losses, but I have paid back \$1.75 million on the loan—part of the \$19 million left by the 1991 Government, after spending the \$12.5 million that was received for the 727-200s. We have paid back \$1.75 million on the loan for one of the jets owned by Government, and in three years' time it will be owned outright without any debt.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Mr. Speaker, having again heard the excuses from the Honourable Minister, and having

heard him state that the losses are the same now as they were in 1992—some five years ago when he took over—I wonder if he can explain to this Honourable House why this is the case, in view of the fact that the Airline has been reduced to two planes as opposed to five when he took over?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, the Member is not quoting me correctly. What I said was that when he left Government, he left over \$36 million in losses which with the overflow into 1993 ended up at \$40 million. They are the last Government's losses, not our losses. What I said was that the accumulated loss of \$40 million was inherited and projected into 1993. In fact, Mr. Speaker, in 1992 the previous Managing Director projected losses of \$12.3 million for 1993, which we reduced by \$8 million, otherwise the accumulated losses left by the last Government would have been \$48 million.

They left \$40 million of losses and that is the amount that is still there. I have not in any material way added to it because a profit was made in one year and a loss in the other and there is a projected loss for last year.

I would like to repeat that the \$20 million only paid off half of the debt and liabilities left by the previous (1991) Government. I still have about \$16 million of debts and losses left by the 1991 Government. Maybe that Honourable Member can let us know how he proposes to pay the \$19 million loss and debt left by his Government.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: The Honourable Minister said on page 7 of his statement, **“No member of staff was fired or dismissed. Two were terminated.”** For purposes of clarity, can the Honourable Minister explain what is meant by 'terminated'?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, I hoped that I would not have to get into a primary school lesson, but when you fire someone, you fire them for cause; when you dismiss them, you dismiss them for cause under the Law. When you terminate them, you simply let them go by carrying out the terms of the contract. For example, if you have a contract that says either side can give one or three month's notice (which was the case in one instance), then you give three month's notice without cause.

All members were compensated well in excess of what was required by the Law, and cheques were issued. I would like to point out, because of a rumour going around, that they were fully paid.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Mr. Speaker, you will excuse my primary school mentality, but is the Honourable Minister saying that these two were contracted officers whose contracts were not renewed?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, there is a difference between not renewing a contract and terminating it. If I may explain, when you do not renew a contract it means it has expired. Many staff are employed on the basis that there is no expiration date on the contract, but there is a termination period in it—for example, a month, or three months. With that type of contract, the way that it ceases to be a contract is when notice is given by either side, or the salary is paid by either side. In these instances it was a termination, it was not a failure to renew because there was no renewal process, as I understand it, in the contract.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Mr. Speaker, as a new Member in the House, I am a little bit confused as to why the Board of Cayman Airways did not make a statement to the Press and to the public, and why this statement is being made here now in this political arena. I thought that they had achieved at least a degree of separation of duties, in that the Airline's Board was responsible for the contractual relationships that it has with its employees. My question is: Why has the Airline's Board not taken that responsibility, and made the statements to the public, and why is it now being made in the Legislative Assembly?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, I have always taken the approach that, out of courtesy to my colleagues in this Honourable House, it is better if they hear the position firsthand, rather than reading it in a newspaper. If the House had not been sitting, then what the Honourable Member has mentioned would have happened. But while this House sits, and if it's a matter of importance, as it obviously is, then out of courtesy I have made the statement in the House.

I do not sit on the Board of Cayman Airways and that separation does remain. However, I am the Minister responsible to this House for its finances, and, really, the only one who can answer in this House. That was the reasoning on it. It is not the first time that I have done it in this fashion during a Sitting.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Mr. Speaker, may I ask the Honourable Minister if this is a recent change of policy (or perhaps

change of heart, on his part)? In the last Sitting I asked questions regarding Cayman Airways and he gave me an entirely different answer, in that he was not responsible for the day-to-day affairs of the Airline. Is this not dealing with the day-to-day affairs?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, if I remember correctly what that Honourable Member was trying to extract would have been a question that could have been highly damaging to Cayman Airways, because it would have told our fierce competition (both American Airlines and Air Jamaica) very sensitive trade matters. This is dealing with very senior staff, it is not the day-to-day running of the Airline. That is why I have not gone into detail. I have given a policy statement that originated with the staff through the Strategic Plan CAL 21. It is therefore materially different from stating anything on the day-to-day running of the Airline.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: On a positive note, as part of the visionary outlook for the future, I wonder if the Minister can say what the immediate needs are, as far as Cayman Airways is concerned? What do you need right now in order to achieve the goals you are ensuing?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The Board is now doing an assessment. Now that the CAL 21 Strategic Plan has been put in place—and it has only recently been accepted and the implementation and action plans are being dealt with. Once these are achieved, I will be in a better position to do so. However, one of the things the Board is looking at, since we are now two years out of five into buying one jet which we will own outright in three years, we are leasing at present a second jet which goes back in two years. Subject to this Honourable House and Finance Committee approving it, the Board is looking to purchase a third jet which will give us better reliability because it can be used more as a back-up, rather than being put fully into operation. It will give us two years, and if we find that three jets is not good for the company, the third jet will go back within about 18 months from the purchase of that.

I would like to point out here that if the vast sums of money being paid for rental could be diverted into purchasing a jet, whether we remain at two or go to three, then after awhile, unless a very stupid Government comes along and sells them again.... And God forbid that should ever happen again because we would not have to be purchasing these two now if we had owned the 727-200s (which we would have owned about four years ago, as we had been paying no rental and had two jets that were equal in capacity to the three jets that we are now trying to get up to). I would not like to go beyond that.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: In his statement the Minister mentioned 'keeping up' the image expected of the Cayman Islands and the Department of Tourism, etc. I wonder if he could tell us briefly what has been done as far as upgrading equipment, and what plans are in place to put us in a better competitive situation as far as our equipment.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, in relation to the equipment, we have put new seats in the VR-CAL which is the one we are purchasing. We are also looking at putting in First Class (or Business Class I should say) in both planes. We are also looking at changing the seats in the jet that we leased because those seats can be kept by us and put in the new aircraft. Many of the complaints are in relation to the leased aircraft where the seats are much thicker, they go much further down, and there is far less leg space. We hope to put in new seats which will possibly give another two inches of space.

Also, we have put a fair amount of money into training staff, from management on down through the ranks. We consistently make the staff aware that the public pays their salaries so they must be helpful and nice to the public. That training is done through the IATA Programme and by senior management, and there is also internal training of junior staff. We are trying to upgrade the staff's ability and their approach, especially in the ticketing and the reservation sections.

We put a new phone system in Miami which is linked in with the Department of Tourism and is saving us money. Many calls come in under one number, and at present the two systems are separate. So a note has to be sent from one room to another. It is hard to believe, but that is what has been happening. So it will help the Cayman Islands, and it will help tourism.

Recently we had a two day conference with the Minister of Tourism and some of the staff in a joint effort to promote Cayman Airways, because tourism can and will give us a lot of help in this area. I would like to say that a marketing plan is now being developed and it will encompass both the marketing and the local sectors, because we have many, many loyal Caymanians who really appreciate Cayman Airways, and I appreciate them flying with us. I think they know how important Cayman Airways is to the Cayman Islands.

For example, Turks and Caicos would have had no jets flying in there had the strike of American Airways taken place. If that happened with one airline dominating—which American Airlines does. It dominates and runs the competition off many routes and then it increases the fares. I think Cayman Airways is our insurance policy. Before the losses got too heavy we had to take this approach, and I am certain that we will be able to correct it.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Mr. Speaker, I appreciate Cayman Airways. However, if statements like this are brought before the House then I think that we, the Legislators, have to answer to the public. If it is brought before us and we do not understand completely then we will be held responsible. In protecting my position, I would like to ask the Honourable Minister if, in his opinion, the island can afford a world class airline in harmony with the image being projected by the Department of Tourism (which is also spending a tremendous amount of money), and the Financial Secretary's concept of what the Cayman Islands is?

I mentioned that I thought the Cayman Islands were a lot poorer than we sometimes admit. The question I have is: What will it cost us at the end of the day to support a world class airline? Is this feasible at this time, or is it just a problem with management?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: What we are looking at presently is putting first class seats in. This is where the upgrading will be. They will be in small areas such as that.

I will say that if we can afford to spend the vast sums of money to promote tourism and the financial centre—the joint amount spent on those two is probably in the area of \$40 million—then I believe it is good money spent to give Cayman Airways a \$4 million subsidy, part of which would have to be paid to subsidise another airline in any case to fly to Cayman Brac.

I will pose the question another way: Can we afford not to have Cayman Airways? If American Airlines had gone on strike it would have been a very serious matter, as they were the dominant airline—as they were in Turks and Caicos and Puerto Rico. In fact, Turks and Caicos called us and asked what they were going to do, because their country would have been shut down by the strike.

If we had three to six weeks, or even one week when Cayman Airways was cut off from the world, where would we be? Confidence in the financial sector and confidence in tourism would disappear. The \$40 million that we are paying out to promote tourism, to promote the financial sector would be down the drain.

I believe we have to look at Cayman Airways as an insurance policy. If the Honourable Members really ask how much premium are we prepared to pay for that insurance policy, I would say that the \$4 million that this Legislature gives annually, when weighed against the fact that we are guaranteed that Cayman will remain linked to the outside world; when weighed against the fact that we employ 250 Caymanians in Cayman Airways; and in a hurricane if it becomes necessary we can run the jet, whereas we cannot order American, Northwest or anybody else to assist in the event of a disaster.... I would also like to point out that when the threat of a strike with American Airlines came on we tried to lease another jet, and other airlines in the United States had already leased literally all of the jets to

fly the domestic routes. I want to point out that when this happens it is not a matter of running to the United States and just leasing a jet as you can do when the US is not in an airline crisis. If American had gone on strike the United States (which I think carries close to 40% of the internal and domestic travellers) would have been in a crisis. Their national airlines have to cover for the United States.

All in all, I would say to the Honourable Member is that if losses reached \$14.3 million as they did in 1991 I would be the first one to stand on the floor of this House and say go back to the public for the referendum because I do not believe the public would support that again. But, I believe that what is being done now, plus the fact that in another three years, Government—not Cayman Airways—will own a jet worth \$7 million, is well off-set by the \$4 million that is being paid annually to Cayman Airways.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Thank you Mr. Speaker. I note the commitment of the national carrier to Cayman Brac and Little Cayman has been expressly crystallised in the Minister's statement. I wonder if the Honourable Minister can say how this commitment has been illustrated by any recent changes to the schedule?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, with two jets we are presently flying into Cayman Brac once per day, seven days a week. We recently changed the schedule at the Honourable lady Member's request on Wednesday, which will assist the Brac further. The timing is much better.

When the 1991 Government had five new jets they were only flying in there four days a week. With two jets we are flying in there seven days. With a third jet we can improve on the times, and we will improve because I have done everything I can in Cayman Airways to assist the people of Cayman Brac and Little Cayman, and I pledge to continue to do that. I will work with both Members—you, sir, and the lady Member from Cayman Brac and Little Cayman—to improve it in any way that I can.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: Thank you, sir. There was a question raised with regard to the cost of Cayman Airways and whether or not we can afford it. I would like to change the question and ask what is the latest estimated contribution that Cayman Airways makes to the local economy?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, at present CAL flies in nearly one half of all passengers, and the contribution from tourism to the Cayman Islands is estimated at \$376 million for just one year. Therefore, I would say that

for the \$4 million we are getting nearly one half of that contributed through tourism. But, more important, the second largest part of our economy comes from the offshore industry. Their contribution has to be in the hundreds of millions of dollars as well. We also carry their passengers.

People would not come to Cayman if they believed that Cayman could be cut off from the world. People would just not come here to do business. That trickles down throughout the full economy to everyone. I think the tourism dollar reaches everybody; the financial sector dollar reaches many, many people. But it is not as well spread as this.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: From the point of view of the public's question regarding the three members of staff mentioned in the Honourable Minister's statement, I have two questions. The first one is: Is it reasonable to expect an explanation as to why the method was chosen whereby they were advised of their termination on the same day as their last day of employment? Secondly, this being the case begs the question: Are there going to be internal promotions to fill these positions? Are these three positions going to become redundant? Is it possible that the positions might be filled by non-Caymanians?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, it is usual practise that when you terminate, it is better to part ways then. I should point out that they were paid for the time that they would otherwise have just sat in an office. If the Honourable Member is saying that the staff should have sat there after termination and instead of getting.....

Mr. D. Kurt Tibbetts: Mr. Speaker, on a point of order.

POINT OF ORDER (Misleading)

The Speaker: Please state your point of order.

Mr. D. Kurt Tibbetts: Mr. Speaker, I asked a question, and I do not think the Minister, or anybody else, can try to tell me what I am trying to say. He must desist! He is misleading everyone when it comes to what I have asked.

The Speaker: Would you please restate your question?

Mr. D. Kurt Tibbetts: Mr. Speaker, with the greatest of respect, the Minister understands the question, he just wants to answer it his way. I do not have to repeat it. If you tell me to, I will, but I know I do not have to repeat the question.

The Speaker: Will you answer the question, please? The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, I am sorry if the Honourable Member has got a bit warm under the collar. What I was trying to say, and I won't go into it, is that there is a difference between terminating and paying someone for the time that they would have been given notice. It is either notice, or it is payment. Payment was made.

The answer to the second part of the question is that any post which can possibly be filled within, Caymanians first is the policy of Cayman Airways.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: For the Minister's information I am not hot under the collar. Just for purposes of clarity, the Minister has just stated that there will be attempts wherever possible to fill the posts from within. Again, to make sure, does it mean then that these posts are not going to become redundant? And would he go further to state, if these positions cannot be filled within, if they will be advertised locally and or overseas?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker. I think I probably covered that before in saying that the policy of Cayman Airways is that we first employ Caymanians—we do have 250 Caymanians employed—and, secondly, we try to fill the post from within. If it becomes necessary, if there are no Caymanians and none from within who can fill a post, then, obviously, we have to turn to overseas. I should say that I think the duty of the Board is to ensure that those posts are properly filled to avoid getting into another \$14 million a year loss. The country cannot afford that. I think the present Board has the largest percentage of Caymanians employed than any other large company here.

Could I just mention one thing, sir? I understand that S H & E in their 1991 report stated that Cayman Airways contributed over \$250 million per year to the economy. This was information just given to me, to add on to the question asked by the Honourable Member from West Bay.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you. Mr. Speaker, I wonder if the Honourable Minister is in a position to say anything regarding training with specific mention of these posts? There may well be staff who have the potential ability to fill these posts who may need a bit of training. Maybe the Minister would comment as to whether consideration may be made along those lines.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, I believe that the Board, the Managing Director, and the General Manager will do whatever is possible to assist with training. Like I said, we put \$100,000 into training this year, from top man-

agement straight through to all of the ranks. This will continue.

I must caution this Honourable House that the airline business is one of the most difficult, most fickle and most complex businesses I have ever seen. Very large losses can be incurred in a month. As I showed, just before the election (when the pressure was on) in two months alone, over a million dollars were lost in each of those months. So the Board's decision has to be one which is expeditious and reasonable.

And, yes, if a person can be trained to fill a post and it can be done expeditiously, that is the route that we will go. I would like to add that throughout my time in all of my businesses in these islands, I have never had to face the problems that I both inherited and continue to have with Cayman Airways because I have been basically a banker and a lawyer and I am very conservative. I have brought this conservative approach to the running of Cayman Airways in the hope of stabilising it—which I have.

Sometimes you cannot take the time in Cayman Airways to make the decision you would in a bank or in a law firm. Things just move too quickly. Within a matter of a month, half a million or a million dollars can be lost if the Board and management do not stay on top of what is happening. I am just mentioning the difference and the complexity of the airline business.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Getting back to the issue of training, perhaps the Minister might be able to comment if, regarding the two people who were terminated and the one who resigned, one of the problems was lack of training for those individuals in the areas where they worked; or, without his going too far, was there a situation which arose whereby it was a lack of performance where they were not able to cope with the responsibilities?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, I really do not wish to, and I would ask the Member not to press within this area for two reasons: First, it can damage the three staff members, and if there are questions of that sort, I can assist privately, within reason. I really would not like to get into it.

I must say that I think approximately 150 staff members have been involved with training in Cayman Airways. The management course lasted nearly four weeks. So, the training is extensive and is carried out at the senior level normally by the International Air Traffic Association, which is a world renowned body that deals with the training.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Mr. Speaker, the Honourable Minister stated in his statement on page 7 paragraph (2) that the basis for the removal of the three management staff

was on an internal assessment of the organisation that was carried out by management at the Airline. Secondly, based on a mission statement, they needed visionary professional management. I think that is the basis.

Could the Honourable Minister state whether this internal assessment was carried out by senior or junior staff in relation to the three management staff that were terminated, and whether the three management staff are in fact being used as scapegoats for other areas of incompetence?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: First, I would like to point out that what I said is that the internal assessment was carried out by staff, not by management. The full staff were involved in this. Mr. Speaker, this was dealt with through all levels, this was not just management. The staff of Cayman Airways deemed management to be an organisational weakness.

Second, they called for a world class airline characterised by professional visionary management. Third, the staff (all staff) felt that effective management was so important to the achievement of the mission that they developed an entire strategy to ensure the Airline had visionary professional management in place.

I would like to point out that this was not an assessment of specific individuals; this was an assessment that was carried out on Cayman Airways generally. It was not a matter of assessing staff. They said there was a problem in management, organisational weakness. It is then the duty of the Board and the Managing Director, and the General Manager to apply that. This was part of the basis for the termination.

The Speaker: I think we have pretty well reached the saturation point in questions on this statement. If no one has a particular question they would like to ask, I would like to move that we adjourn for the morning break. Let us suspend for 15 minutes.

PROCEEDINGS SUSPENDED AT 12 NOON

PROCEEDINGS RESUMED AT 12.35 PM

The Speaker: Please be seated. Statements by Honourable Members/Ministers, continuing.

Statement on the National Pensions Law and Regulations. The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

STATEMENTS BY HONOURABLE MEMBERS/MINISTERS

UPDATE ON THE NATIONAL PENSIONS LAW AND REGULATIONS

Hon. W. McKeeva Bush: Mr. Speaker, Honourable Members of this House as well as the public are aware that the National Pensions Law (passed by the Legislative Assembly in July 1996) is scheduled to come into force on 1st July, 1997. I previously announced, in and outside of this House, that as a policy Government would not be enforcing the legislation, particularly with respect to Registration of Plans or Providers, until after 1st January, 1998.

The National Pensions Law and Draft Regulations reflect Government's policy on Pensions which views Government's role as the regulator and supervisor, with suitably equipped private sector entities serving as providers. After many years of discussion, which was intensified by my Ministry approximately three years ago, I am confident that the public accepts and respects the policy on pensions, and the enabling legislation to be timely, fair, and current.

Mr. Speaker, Honourable Members of this House are aware that Government's stated policy on pensions calls for the introduction of legislation to enable Government, through a relevant inspectorate, to properly regulate all existing and future pension plans. All persons between the ages of 18 and 60 who have been working in the Cayman Islands for 3 months or more (except for Domestic workers in private homes) will be subject to the law.

Existing pension plans, either offered by the employer (in-house) or marketed by other Approved Providers (such as insurance companies or financial institutions), will be allowed to continue to operate under the new regulatory framework, provided they can meet or exceed the standards as prescribed in the Law and Regulations.

In summary, the main standards for pension plans to meet in order to be approved will include: immediate vesting (as opposed to long vesting periods of 10-15 years); portability from employer to employer and plan to plan; employee involvement in the decision making; contribution rate cost-sharing of 50/50 between the employee and employer; regular actuarial assessments and audits; regular reports and information to contributors and retired members; all investments of the pension plans' fund must fully comply with the investment guidelines and allocations, and clear and fair transition rules regarding switching to new plans or switching from a defined benefits to a defined contribution pension plan.

All pension plans will be subject to on-going monitoring by the Office of the Superintendent of Pensions, which is a new two-person unit, which is in the process of being established under my Ministry.

I now wish to give this House an update on the legislation as well as to reiterate a number of key principles of this national pensions system.

REGISTRATION: Section 9 of the Law sets out the procedure which the prospective approved provider (whether it is an employer or a multi-employer pension plan) has to follow in order to apply for registration so as to be able to maintain and/or market their plan. Section 10 of the Law outlines what features and information each pension plan must contain in order to be registered.

Each prospective provider must apply to the Superintendent to be registered, following the provisions of these two sections. For plans which were in existence before the Law comes into force, the employer may choose to apply to have that plan registered so that it may continue uninterrupted. In so doing, they will have to demonstrate that the plan is in compliance with the legislation, particularly in areas I mentioned previously, such as: immediate vesting, portability, employee involvement and information/reports, a locally based administrator, investment strategies to comply with the guidelines in the regulations, actuarial assessments and audits as required, and the other fundamentals of the legislation. If existing plans can be modified to comply with the legislation—and, Mr. Speaker, several of the larger existing plans have already indicated that they are now in the process of improving their plans in order to comply with the legislation so as to be registered—then they will be registered by the Superintendent. They can therefore continue their Plan, offering benefits which are equal to or better than what is prescribed in the legislation.

If a provider of an existing pension plan is able to make the necessary modifications and improvement, but find themselves in a situation where their plan is not fully funded at the time of applying for registration, the plan may still be registered as an approved provider. Section 45 (2) allows a defined benefit plan to have five years after the commencement of the Law to be fully funded, that is they will be able to cover all of the retirement benefits which have accrued to employees over the years.

The concession in section 45 (2) is meant to allow the good but inadequately funded existing plans to remain in place, and gradually become a 'real' pension plan and not just a 'promise'. By this I mean that historically some employer sponsored pension plans, particularly defined benefit types, were used by employers not as a true part of the remuneration package, but instead as a tool to retain employees for a long time through the protracted vesting periods.

Also, it was (and perhaps still is in many cases) common practice for the actuarial assumptions in defined benefit plans to be based on a percentage of the employee's resigning or being terminated before becoming vested in their pension plan. The result of this is that the contributions of those employees who would not be receiving benefits from that pension plan would be used to subsidise the contributions of others in the plan.

If we assume that pensions are a part of the employee's salary package, then it is only right that there be immediate vesting and portability of benefits. When the National Pensions Advisory Committee began working on this legislative initiative, it fully endorsed that pension plans should be fully funded as opposed to pay-as-you-go schemes which seem to have other motives and which have crippled pension plans in other countries.

It is also important to stress that existing plans which may offer employees better benefits (for example, lesser contribution rate), will be able to continue if they wish. Section 5 (1) of the Law clearly allows plans which are more advantageous than those specified under the Law to be registered and operated.

If, on the other hand, employers or existing plans choose to wind up or suspend their plans because they are substantially under-funded and cannot be rectified within five years, then section 5 (2) of the Law provides for regulations which can ensure that the employees or contributors do not lose any of the accrued benefits which have accumulated under those plans.

So, the pension legislation will not displace any employer who has been farsighted enough to offer a pension plan even before the Law, or to lessen any benefits to employees. The legislation will make things much better—not worse.

CONTRIBUTION RATE: The Law prescribes a contribution rate of 10% (split evenly between the employer and employee) for defined contribution plans; and at a rate which gives the employee the prescribed or benchmark retirement benefit for a defined benefits plan. The benchmark which is being used for the contributor is 1.5% of a member's highest average pensionable earnings for each year of plan membership, subject to a maximum of 40 years of membership.

A member's highest average earnings is the average annual rate of earnings received by the member in the 60 month period (or period of membership if lesser) during which his or her earnings were the highest. The 10% contribution rate was selected after an actuarial assessment was carried out to determine the reasonable amount of retirement benefit, the inflation rate, investment return, and salary increases.

PHASE-IN OF CONTRIBUTION RATE: Section 46 (9) of the Law provides that contributors in several age categories may phase-in the quantum of their contribution rate over three to five years. Those persons 40 years of age or younger may do so over five years; those between 41 and 45 may do so over three years. Employees 45 years or older do not have the option of a phase-in of their contribution rate and must begin at the minimum of 5% for a defined contribution plan. Members and the public will appreciate that this phase-in option will make it more convenient for both the employee and employer to accommodate the provisions of the National Pensions Law.

BENEFITS: The National Pensions Law provides for a retirement/pension which is commensurate with the level of contributions which have been paid in over the working life of the contributor. The benchmark for those younger contributors who have contributed for the maximum period (i.e. 40 years) is a monthly pension of 60% on the highest five year average annual earnings.

There is also a disability benefit and a survivor's benefit. In the event there is no survivor, the benefits can be paid to other beneficiaries or to the Estate. The Pension benefit can be paid through a standard annuity, or through any other approved vehicle offered by the approved provider of the financial institution.

EMPLOYEE INVOLVEMENT IN THEIR PLAN: The National Pensions Law encourages an environment of participation between the employer and employee. The em-

ployee is also contributing to the fund to the tune of 50%, and therefore it is only prudent and right that he should be involved with and aware of what is taking place in his pension plan and the funds. That is why the law provides that Employee Advisory Committees can be established for pension plans.

Also worthy of note is the consultation process between the employer and employee on the selection of the approved provider, as well as the level of the contribution rate for those employees who are eligible for the 5-year contribution rate phase-in.

STATUS OF REGULATIONS: Honourable Members of this House, and the public, are aware that two of the three sets of draft Regulations were released for public input in May. These Regulations were provided by the Legislative Drafting Department, with technical assistance from Mr. Robert H. Hawkes, Q.C. These regulations deal with investment guidelines, and general matters.

There has not been very much verbal or written input provided to my Ministry on these two drafts. The submissions received however were constructive and of a high quality. All input was carefully reviewed and noted by my Ministry and a sub-committee of the National Pensions Law Advisory Committee.

Presently, the international actuarial firm of Towers Perrin, of Toronto, Canada, is carrying out further technical assistance for Government. Towers Perrin is reviewing the Law and two sets of draft Regulations, and will comment on the technical soundness and consistency between these. The most important part of their work will be to provide comprehensive drafting Instructions for the preparation of the third set of regulations, that will deal with actuarial and valuation issues (particularly for defined benefits plans).

Towers Perrin is working closely with my Ministry and the National Pensions Law Advisory Committee, and it is hoped that a report will be given to Government later this month.

I had previously announced that the Regulations would be presented to this Honourable House in this Meeting for the affirmative resolution as required under this Law. Despite this delay in the technical review of these complex regulations, I hope to be able to table at least a draft of the revised two sets of Regulations, and a draft of the new third set of regulations to this Honourable House in this Meeting for consideration by the House in September.

In my humble opinion all parties concerned should be able to continue to proceed with their pension plan development or subscription by using the comprehensive Law and the draft Regulations until such time as all formalities are concluded.

Mr. Speaker and Honourable Members, I should also say to this Honourable House that as a result of the review being undertaken by the consultants, and submissions by others, the Advisory Committee may recommend to Government that a few 'house-keeping' amendments be made to the Law to clarify a few general clauses. Any proposed revisions to the Law will be introduced to this House in the September Meeting. These minor amendments however

would not delay the effective date of 1st July, 1997, with enforcement commencing on January 1st 1998.

I am again encouraging all employees and employers to become familiar with the Law and Regulations, because they will all be affected by and will all benefit from the legislation.

PROSPECTIVE APPROVED PROVIDERS: Presently there are three multi-employer pension plans being marketed in the Cayman Islands. I urge all employees and employers to individually and collectively investigate carefully the details of each plan, including investment details and retirement options. No one should be pushed or coerced into any plan by any prospective provider. I urge anyone who has questions or concerns about the legislation, or about the offering or tactics of either of the prospective providers, to contact my Ministry without delay.

Mr. Speaker, I am certainly honoured and pleased that the time is coming when all workers, including those who do not have pensions, will have an opportunity to start saving for their retirement, and those who already have a pension plan will be given the protection and regulation of the legislation to protect their assets. There will be no classes—all participants will be protected.

This legislative package establishes a pro-active, current and prudent system which will benefit this and future generations, and maintain a decent level of financial independence for all contributors when they are not able to be as productive. This is a long overdue matter, and I am happy to be the Minister responsible at a time when this initiative is reaching its rightful conclusion.

Mr. Speaker, I thank you and the House for allowing this long statement. There have been inquiries and misinformation put out. I thought it timely to make this statement, even though long, to the Honourable House.

Before I sit, Mr. Speaker, I wonder if I may be allowed briefly to mention the situation in Cayman Brac with the recent floods?

The Speaker: Please continue.

HEAVY RAINS IN CAYMAN BRAC AND LITTLE CAYMAN

Hon. W. McKeever Bush: Members might be aware that over the weekend in Cayman Brac heavy rains fell in several areas. Several homes, roads and other properties were severely damaged, particularly in Spott Bay and in Watering Place.

This matter was drawn to Executive Council's attention by the First and Second Elected Members of Cayman Brac, also in attendance was the Member responsible in Executive Council, the Honourable First Official Member. We took a decision that my Ministry, in conjunction with the Ministry for Agriculture, Environment, Communications and Works, would address the matters with some urgency.

Indeed, rain has caused damage, not only in those areas, but to some properties here in Cayman over the weekend. I just wanted to inform Members that Govern-

ment is moving ahead with some urgency to address those situations.

Thank you very much Mr. Speaker for allowing me this moment.

The Speaker: Government Business. Bills, Third Reading.

GOVERNMENT BUSINESS

BILLS

THIRD READING

THE MONETARY AUTHORITY (AMENDMENT) (MEMBERSHIP) BILL, 1997

Clerk: The Monetary Authority (Amendment) (Membership) Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: Mr. Speaker, I beg to move that a Bill entitled, The Monetary Authority (Amendment) (Membership) Bill, 1997, be given a third reading and passed.

The Speaker: The question is that a Bill entitled, The Monetary Authority (Amendment) (Membership) Bill, 1997, be given a third reading. All in favour please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it. The Bill has been given a third reading and passed.

AGREED: THE MONETARY AUTHORITY (AMENDMENT) (MEMBERSHIP) BILL, 1997 GIVEN A THIRD READING AND PASSED.

The Speaker: Bills, First Reading.

FIRST READING

THE HEALTH INSURANCE BILL, 1997

Clerk: The Health Insurance Bill, 1997.

The Speaker: The Bill is deemed to have been read a first time and is set down for second reading.
Second Reading.

SECOND READING

THE HEALTH INSURANCE BILL, 1997

Clerk: The Health Insurance Bill, 1997.

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: Mr. Speaker, there has been a lot of history in regard to health insurance in these islands. I ran across a little note this morning which says, "Those who live in the past will bankrupt the future." What I have tried to do in my Ministry's approach to health insurance is not to delve into the past.

Honourable Members may recall that on 11th December, 1995, I tabled in the Legislative Assembly a draft Bill for a Law Relating to the Provision of Health Insurance, as a discussion paper. My statement at the time took note of the fact that these islands had been richly blessed over the past 30 years or so, and we cannot say now (as we could then), that we are the place that time forgot. As we have developed we have had to recognise that issues which did not affect us in the past certainly do so now. The need to protect ourselves against rising health care costs is only one of these issues. The experience of the Ministry and Health Services Department since I made this statement in 1995, has only served to confirm this reality.

Mr. Speaker, whatever we may do, we cannot escape the certainty that provision of health care in the Cayman Islands is not, and cannot be, free. We can choose to distribute this cost equitably across our resident population through compulsory health insurance, in which all persons who are able will share this cost for the health care benefits which they receive. Alternatively, we can continue with our present system of paying for the provision of health care from the pockets of our visitors and residents alike through the increasing collection of revenue. One way or another we will have to pay. Today, I propose to Members of this Honourable House that they support what has been put forward in this Health Insurance Bill, as this is a far more equitable approach for those who can pay for provision of health care, as well as for those who cannot afford to pay.

Government also recognises that there are various categories within the resident population of the Cayman Islands to which it is committed to provide free health care benefits. It is a fact, however, that the numbers in certain categories continue to increase; and Government has considered how it may best protect itself against the risk of costs arising out of cases of catastrophic illness. The proposed legislation sets out how this will be accomplished in part.

Government is now seeking to ensure that the burden of payment is shifted from Government to the recipients of health care services. For this reason it is proposing that health insurance be mandated by Law for the entire resident population of the Cayman Islands except the uninsurable persons, and that payment will be due through health insurance coverage for all services provided at Government health care facilities in the Cayman Islands, unless that user or service is otherwise exempt.

The Speaker: Would this be a convenient time to take the luncheon break?

Hon. Anthony Eden: That would be a good idea.

The Speaker: Proceedings are suspended until 2.15 PM.

PROCEEDINGS SUSPENDED AT 1.07 PM

PROCEEDINGS RESUMED AT 2.37 PM

The Speaker: Please be seated. The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation continuing.

Hon. Anthony Eden: When we took the break I was about to comment on the background of this Government's present position on compulsory health insurance for these Islands.

Honourable Members will remember that following the General Elections in November 1992, Government suspended the previous Health Insurance Legislation (The Health Insurance Law, 1992, and the Health Care Insurance Regulations, 1992) in order to re-assess many of the concerns that were felt and expressed prior to the Election. A committee was set up by the former Ministry and the private sector which began the process of investigating the provision of realistic health insurance coverage.

Among the concerns referred to above were: (1) The very strong belief on the part of health insurers and others that the prescribed maximum premium for a standard health care insurance contract was unrealistic and unworkable and would therefore have, of necessity, to increase dramatically in the second and successive years of operation.

(2) A wide spread belief that if insurers were not prepared to sell the basic package of the mandated premium that they would not be allowed to sell any other kind of health insurance in the Cayman Islands. Many employees feared that, as a consequence of this, they would lose excellent existing benefits under the present health insurance schemes.

(3) The maximum premium for a standard health care insurance contract for those over 65 was felt by many to be unnecessarily high.

Mr. Speaker, the public will remember that the 1992 legislation mandated a premium of \$179 per month for those 65 and older, and \$45 per month per person for those under 65. In this new proposal the single premium rate for all ages came as a result of frequent and compelling requests for no difference in premiums for persons aged 65 and over.

I have taken account of these very compelling and practical considerations. As a result, I have prepared and circulated the draft Bill and my statement to many individuals and interest groups. Then, based on feedback which I received, I amended the draft Bill and produced draft Regulations for further discussion. These I tabled in the Legislative Assembly on 17th July, last year.

We also recall that in September 1996, I withdrew the Bill for Health Insurance and the draft Regulations from debate by the Legislative Assembly. At that time it was felt

that public concern about the estimated monthly premium was significant and further information was needed on just what effect the premium would have on families, especially those in the lower income bracket.

There was also a perception that an employee with multiple dependants would have to pay the full cost of the premium times the number of dependants. This is simply not so. The standard practice in the insurance industry when more than one family member is insured is that the premium become less, and it has been indicated to me by one of the insurance companies that in the family plan there is even further significant reduction in premium costs.

Mr. Speaker, there have been comments about the coverage of children being put in place in this health insurance scheme. That is so. We know that by June of next year the Health Insurance Law, 1997, will be in effect and all school children will have to be insured. However, during school hours, school time student walk-in patients or emergencies will be treated free of charge at all Government Health Care facilities.

Mr. Speaker, when looking at the newspapers, just this week alone, we can see that the amount of money involved when a child has to go overseas for tertiary care becomes significant. If these children are not covered under insurance, where do they go to? What happens to them? They ultimately have to come back to Government. They have to sacrifice their homes or land, if they have a piece of land, this is the reason why we feel the need to adequately address this problem. I am pretty sure that most of the companies in the Islands already cover their employees with what we are putting forward in this plan to at least the standard premium coverage we have here, and most of this is already in place. I do not anticipate seeing this as the burden some people would be putting forward.

Mr. Speaker the withdrawal of the proposed legislation at that time also allowed further work to be done concerning the provision of coverage for high risk insurance persons. The concept of a high-risk pool, whereby all the approved providers of health insurance coverage would accept and share equally the risk of insuring high-risk insurance persons, was extensively explored. But, until now, the details of setting up and operating the high-risk pool have not been satisfactorily resolved. In the interest of time, provisions have been introduced into the bill for the high-risk insurance person.

Moving now to the Memorandum of Objects and Reasons: **"This bill seeks to establish a system of compulsory health insurance in the Cayman Islands, whereby all persons resident in the islands including the unemployed must obtain health insurance. This bill also seeks to establish standard health insurance contract."**

"Clause 3 provides for the establishment of compulsory health insurance. Under this clause an employer is responsible for effecting and continuing in force a standard health insurance contract on behalf of himself, his unemployed spouse and children, his employees and the unemployed spouse and children of his employees. Any person who is not covered by a contract effected by an employer must effect a con-

tract on behalf of himself, his unemployed spouse and his children. The Government may effect health insurance contracts on behalf of its employees, public office pensioners, indigents and others.”

Mr. Speaker, just to say at this point, that coverage can be no less than what they are now receiving.

“Clause 4 provides that high risk insurance persons shall be insured as prescribed by regulations.

“An employer is required by clauses 5 and 6 respectively to pay the premiums under a health insurance contract but he is entitled to deduct half of the cost of the premium for the employee and the total cost of the premiums for the unemployed spouse and children from the remuneration of the employee.

“Clause 7 provides that it is an offence for an employer to deduct more than the amount that he is entitled to deduct and an employer is liable on summary conviction for such an offence to a fine of \$2,000 or on conviction on indictment to a fine of \$5,000.

“An employee is required under clause 8 to keep his employer informed of all facts relating to the employer’s liability to insure that employee. An employee who fails to keep his employer so informed shall be liable to his employer for any expense incurred by the employer for which the employer would otherwise not have been liable.

“Under clause 9 an employer must provide his employee within 15 days after the employment of that employee with a statement containing among other things the name and address of the approved provider with whom the contract of insurance has been effected. Failure to comply with this provision is an offence punishable with a fine.

“Clause 10 provides that an employee may recover from an employer who has failed to effect a contract or to pay the required premiums, a sum equal to the amount of any benefit lost.

“Under clause 11 it is provided that any person may voluntarily conclude a contract of health insurance with any insurer.”

At this stage I would urge all people out there to look at this. They are allowed to continue the benefits they have above the standard contract and most prudent Caymanians will continue to do this. All this is saying is that we must have the basic package.

“Clause 12 specifies the circumstances under which a health insurance contract may be terminated and clause 13 provides a penalty for the making of a false statement or false representation etc. in respect of a health insurance contract.

“Clause 14 provides for the liability of officers of corporate bodies and clauses 15 and 16 provide for the recovery of sums owed under a health insurance contract.” Mr. Speaker we will not be taking away people’s houses and cars and land.

“Clause 17 provides for the determination by the Authority in the first instance, of any claim to a health benefit or question arising in connection with a standard health insurance contract.

“Clause 18 provides for appeal to the Grand Court from any decision of the Authority under clause 16 and clause 19 specifies the matters for which the Governor in Council may make regulations which shall be subject to affirmative resolution.

“Clause 20 repeals the Health Care Insurance Law 1992.

“It is proposed that every approved provider must within 6 months of the enactment of the Law be able to provide standard health insurance contracts and that the provisions of the Law relating to penalties will be brought in force 1 year after such enactment.”

There are those who will say that this is not a perfect Bill. But I believe it is affordable and workable, and I am proud that it provides benefits to people of all ages without discriminating against those over 65 years of age. We must start somewhere. We cannot continue to leave our people liable at times to catastrophic health risks, and I believe this Bill addresses that concern to a large extent.

It is a very important piece of legislation, and I would like to conclude by thanking the Members of the Health Insurance Advisory Committee who have devoted many long hours to the task of bringing it to fruition. I would also like to thank the *Caymanian Compass*, and especially Mr. John Redman who has done an excellent job in helping to educate our people by carrying excerpts of the Bill in the *Caymanian Compass*.

I would like to thank the members of the Council of Associations and other big companies who have indicated their tentative support of the Bill at this time. It is anticipated that Government will consider a delay of two years after commencement of the implementation of the scheme before effecting increases in the fees under the Health Services (Fees) Law of 1993. This will allow time for the Bill now proposed and the Regulations to come into effect and for the experience gained thereby to be utilised for future revisions of the Law and Regulations.

Mr. Speaker, when we passed the Law on to the providers we asked for quotes back from them. I will give the range of what some of these insurers have indicated to us the premium would be. The lower end of the scale was around \$35.00, and the upper end of the scale was \$65.00. Some people have advocated that we should set the premium, but when this was banded about last year and the amount of \$60.00 was put forward, all of them said ‘if you fix the premium at \$60 there will be no attempt made to provide a contract of health insurance for a cheaper rate.’

As you know, the Cayman Islands live by the free enterprise system where the law of supply and demand rules. I feel that this approach will ultimately be the best for our people by allowing the people out there to compete. I anticipate that some of these premiums will even go lower because once more people are in a group situation we all know that the premiums drop significantly.

Mr. Speaker, in closing I would like to say to this Honourable House that we need to act as responsible representatives. Cayman is not like it used to be. We need to help our people and educate them on the benefit of health insurance, as well as pensions. They must attempt to pro-

tect themselves against catastrophic losses. That is the reasoning behind this Bill.

I have seen in recent times where individual families have incurred up to \$500,000 in medical costs. There is not one of us in the Cayman Islands or, literally, anywhere, who could deal with that kind of expenditure.

Mr. Speaker, as with the construction of the new hospital I have attempted to take politics out of decisions that must be made for the benefit of our people. Cayman has waited a long time for proper health care facilities and adequate health insurance coverage. I agree with my good friend, the Third Elected Member from George Town, when he said to me some time ago that we should not oppose for opposition sake, but we should do what is good and right for the people of these islands.

I have no hidden agenda in the putting forward of this Health Insurance Bill. We have tried to eliminate as much Government bureaucracy as possible and to allow our people to benefit from it. This sets out very briefly some of the highlights of the health insurance Bill to be debated, and I commend it to the Honourable Members and seek their support in passing it. Thank you.

The Speaker: The question is that a Bill entitled, The Health Insurance Bill, 1997, be given a second reading. It is now open for debate.

The Fourth Elected Member for George Town.

(2.59 PM)

Dr. Frank McField: Mr. Speaker, I will start my contribution to this Health Insurance Bill, 1997, by saying that it is true that for a very long time we have needed health insurance to cover all the people in these islands. It is obvious that the need for health insurance in the Cayman Islands was recognised by the previous Government and by members of the public as well. The discussions prior to 1992 resulted in their bringing a Health Insurance Law, 1992. The fact that we are today repealing that Law, and bringing into Law The Health Insurance Bill, 1997, is a consequence of the fact that it is not easy to arrive at a unanimous conclusion as to what is the acceptable standard for insuring our people.

It is something that I would like to see work in these Islands. However, I am not sure at this point that this Bill can accomplish what I might wish it to accomplish, which is, to give greater security to the members of our society, and to alleviate the financial stress on Government which arises as a result of people having to seek medical attention without being insured.

Mr. Speaker, I am beginning to understand more and more the difference between law and society. Law is something that can be thought up, also it is something that can actually be enforced. But in society there are realities that the law itself cannot change. As a result of that, the law sometimes finds that it creates more difficulties, more havoc, than it intended to. The intentions and motives of lawmakers in most cases are honourable, and in this particular case I believe that the Honourable Minister for

Health is very honourable in his attempt to give the people of these Islands the kind of safety net that they so deserve.

However, there are certain clauses in this Bill, there are certain wordings and certain burdens that I think need to be more explored, simply because in making laws and in dealing with institutions such as insurance companies we tend to be borrowing the culture of other countries that have dealt with these issues before we have the opportunity to do so. So we are not creating something that is unique. In fact, we are attempting to transpose something from one environment to another environment. Its not always the case that it will fit.

The history of pensions, the history of insurance, the history of distribution of wealth and the history of equality in a lot of societies, has been debated and implemented into law, in that people have always asked the question: 'How do we arrive at a society where the greatest number of people can enjoy the greatest amount of good?' We have charged certain institutions, like their work place, with responsibilities. Perhaps in America and Europe, where they have large firms and large corporations, this is workable.

So, to use the word 'employer,' for example, and to say that the employer is responsible, is almost as if we are trying to transpose the responsibility that would have existed in a place like England, Germany, or America (with perhaps fewer contradictions). The typical employer is someone who employs someone's labour and who makes a profit at the end of the day from that person's labour; someone who has capital at his or her disposal and someone who is carrying on functions in a society that are already bureaucratic enough for them not to have to create any additional machinery in order to manage these types of responsibilities that we are today charging the employer with in this Bill.

An employer in the modern-day society of the Cayman Islands could mean also a secretary working at Barclays Bank who also employs a domestic. An employer could also mean someone who is employing a gardener, because the responsibility that we are giving to the employer is not confined to 5%, 10% or even 25% of the population; but that responsibility (because of the nature of our society) is being distributed very widely. If the employer is, by law, responsible to see that his employee and his employee's unemployed spouse and/or child is also insured, from the point of the administration of this Bill, we might experience a few difficulties. I would beg the Minister, when he winds up (after he has had some thoughts about this) to give me some idea that will cause me not to worry about this particular definition of responsibility.

Saying that an employer is 'responsible' could include a very uneducated person who does not even have the capacity to fill out an application—because once you are employing, you are employing.

In speaking on this I would also say that I would have preferred for domestics to have been left out of this particular category. It creates a kind of bureaucratic atmosphere that I do not think will work very well with all of the people.

Because we all have capital or access to a certain amount of money, we can all 'employ'; but, at the end of the day, we are not necessarily reaping any kind of major

reward for employing someone. Therefore, to charge the person who employs a domestic with the responsibility of paying a portion of that health insurance is based upon the atypical type of idea that the employer is making a profit. The whole inference here is to try to redistribute some type of wealth, and to therefore create some kind of social equality in the society by instituting this type of health insurance. I think it is quite clear that there are many of us who are employers but who are not making any money.

In looking at the fact that the appeal body is the Grand Court.... Most of the things in this Bill (as a point of law) are acceptable to me. I have problems with the whole idea of the power which the Minister of Social Services (the person responsible for Social Services) is going to have as a result of this Bill. I do not understand how this concept got into it. I do not know if that was in the previous Law. It is one thing to have the Department of Social Services involved in assessing cases and deciding who qualifies as an indigent person, but when we are going to have information about individuals passed from one Ministry to the next, we have to be careful. We have to remember that in a lot of developed countries there are laws prohibiting the sharing of information.

We have to also understand that dealing with the Department of Social Services and dealing with the Ministry, where other issues and other departments are being taken care of, could create a bit more of a problem in terms of confidentiality—the kind of confidentiality which exists between a patient and his doctor. We would like to see that maintained. The question is: Will it be maintained best when it is floating above the Department of Social Services? Maybe that is exactly where it should be cut off—at the Head of the Department of Social Services.

There is also a political aspect to this. I think we have to be very careful. For instance, if somebody contracts AIDS tomorrow, he will not be covered by the insurance. Therefore, you have to make a political decision. At the end of the day it is something that a politician will have to make a decision on.

I think we also recognise that there is a clear difference between the functions of the Administrative branch of Government and the Political branch of Government. In this case we are going to subvert the authority of the Administrative branch of Government in order for the Political branch of Government to make the final decision. If we are going to accept that particular part of the Bill then I say that some kind of committee needs to be formed to look into these situations. We definitely cannot afford to take the risk. We are not casting aspersions on any particular person, but a Ministry is a position that will be there in the future. We do not know what the future holds. When we make laws we must make laws with a vision of the future. It is best to take that precaution there.

Another part of the Bill is talking in terms of indigent people. I understand that that is a needy person. I looked it up in the dictionary just to make sure, and the dictionary I used gives the same one word definition—'needy.' It does not give us any kind of social economic criterion. In other words, would my sister—who has four children, who has one job and who has to raise these children by herself

without a husband—be considered a needy person? The salary she makes is not fantastic compared to the cost of living in the Cayman Islands. Perhaps if I was the Minister of Social Services, and she came to me, I would make sure (being that she is my sister!) that she fit into that classification. Those are the types of situations we have to be very careful about because, since I am not the Minister for this particular Portfolio, I would hate for my sister to say that someone else got it and she did not.

So in the administration of fairness and justice we have to be careful. We have to try to achieve an acceptable definition of indigent; a definition not left to a subjective judgment by anyone, but a definition we can all carry around with us. Then, as we come in contact with these people we can say that these are the people we think Government should be supporting.

I have always been in praise of the way Government has exhibited Caymanian humanitarianism towards the people by providing everybody with medical attention. We are now going to slightly stray away from this because we can no longer afford to provide the type of quality care for people without them contributing back to this system. I believe that it is good to encourage everybody to take out whatever amount of health insurance they can afford, so that if they are sick they can pay for the medical attention.

I also believe that if we accept the fact that there are indigent people in our society, people who cannot be insured because of particular illnesses, we will begin to say that the system is limited. In other words, the insurance system is not a perfect system. The insurance system is a profit-making system; it will not do anything unless it can realise a profit. We have to accept that particular rule.

Since the insurance companies are not offering anybody anything, what we are doing is offering them something—a new group of people to insure who in many cases can afford to be insured, because this is not the heart of darkest Africa. We are a country where even if it is \$25 or \$35 a month, we can afford at least some payment towards a health insurance policy. It is not bad for the insurance companies to be dealing with us.

Again, my question is whether or not we are getting what we are paying for; not with regard to how much the policy costs, but with regard to the profits the insurance companies may make, especially when they are operating in an environment which is so economically stable, and also stable from the point of view of the health of the people. We have healthy people in this country because of the preventative medical policies of the Government, which results in the risk being minimised, therefore the profits can be maximised.

I think that whatever committees are formed by insurance companies, they will always be looking after their own interests so that at the end of the day they will not be making less profits or go bankrupt. As a Government we are compelling our people to become clients of insurance companies (providers) where our people will exchange money in return for medical coverage.

Who is really being covered here? There was some mention that we did not have people over the age of 65 covered before. We do not have people with social dis-

eases covered. That is my understanding, perhaps that could be clarified for me. Social disease, meaning gonorrhoea, syphilis and all the other things that are out there including AIDS, are not actually being covered. This displays a bit of prejudice towards women. If a man in the Caribbean society who is not totally free of promiscuity and contracts a disease, he could probably share that disease with many more women than the women will share their diseases with. It should also be taken into account that the nature of the social disease could affect the reproduction system if it is not cleared up. We need to try to encourage people with these diseases to come forward and be treated for their illness and ailments. They will not be treated if we make it more difficult by saying that not only is it a 'social disease' and not only do we not want to talk about, but we do not want to pay for it, so it is not covered by the insurance.

It does not cover people over 65, but social diseases could spread very rapidly and we could find a lot of people are affected over a particular period of time. God forbid, but that is also a possibility. It is not always that a person is not responsible—a woman may be a very innocent person trusting the man who goes out and breaks that trust by bringing back that 'unholy' gift. So we have to think about women in this particular situation as well. That type of situation is as bad as discriminating against people because of age.

American insurance companies refuse to insure anything that will cause them to have to pay out of their profits, particularly with AIDS. There is nothing benevolent about the insurance companies at all. They are in there for profits, and if they cannot make a profit then they are not interested. That is their position. If somebody has AIDS in our society, at the end of the day the Government is still responsible for paying for that person. If somebody has a social disease, Government is still responsible. If somebody is indigent... and I know if we come to some kind of social economic definition of that we would see that someone, perhaps making \$800 to \$1,000 a month (which a lot of people in this country are making that) with two or three children would qualify. If we go into that we might find people who could not afford to pay for the insurance, therefore, Government would be responsible for paying for these people. So, at the end of the day the Government's responsibility has been decreased but not eliminated.

If Government's responsibility is still there it would be interesting to know the cost of treating these people who are partially or wholly uninsurable because of illness—because insurance companies are not going to insure a sick person. They are going to give insurance to healthy persons, and people who are 18 and below. If, when you go to start this thing, you can give everyone a medical examination or screening, they will say 'I can insure you, but I cannot insure you.' We need to know who is going to be on what side. What kind of figures are we looking at? What kind of people will insurance companies be insuring, and what kind of people will the Government be insuring? Will the Government be insuring the people who are going to end up at the hospital every week, and be insuring the

people who are going to end up in the hospital every 40 years?

Will our Government which in a humanitarian stance will not refuse to treat people who have AIDS, will not refuse to give them protection, will not refuse a person who has a social disease from getting treatment, will not refuse a prescription, be used at any particular point by the insurance companies? They know that we are not going to let people go with out treatment in this country as our track record shows. We are neither the United States, nor Great Britain with so many people. Our system is small enough to be seen through and examined.

If somebody is compelled to get insurance when they are 18 years old, or you are compelled to insure your children; yet Government will give your children medical treatment during school hours (like they do in a lot of other countries), where is the risk to the insurance companies when they are providing for children? Whether or not the child has to be insured when it is born, or when it is four years of age, or eight years old, it says a 'child'. We need to have some kind of clarification as to what year and at what point that person takes over the responsibility to see that the child is insured, and at what point that becomes the legal obligation of the employer, and the legal responsibility for the employee to tell the employer that the child is there and needs to be insured. I am sure that the Minister will be quite capable of answering me with regard to these things.

These are just observations and considerations that I have been able to spot in the Bill. What I am saying is that Government's responsibility has not ended and will not end with the implementation of a Health Insurance Bill.

I would like to see that Government also profits from what they pay out. For this reason I would actually suggest that we look into creating our own Health Insurance Company. The Government of the Cayman Islands should form a Health Insurance Company. If there are profits, the people of these Islands can share in these profits, because if we have civil servants who have to be insured, maybe that is over \$5 million dollars per year that the Government would be paying in regard to insurance. If we have a captive clientele like the civil service to begin working with, the people in the statutory bodies (the Water Authority, Port Authority, Cayman Airways—two hundred and something people we hear) we begin to go out there.

Basically, the whole principle about the insurance company is collective. If you collectively come together and collectively pool your resources you can protect somebody who gets in a problem. That is the concept. So if that concept can be instituted and administered by a private company, why can it not be done by Government? It is in the position to do it because it has the bureaucracy already in place.

So, if we must invest the fruits we would like to see some of the rewards come back to us, and not just go to these insurers that are fly-by-night things—whether they go to Canada, or Bermuda, or wherever they go but they are not Caymanian. We need to collectively, if we are going to be forced to put our money out every month, know that that Capital is accumulating in the Cayman Islands. I think that

this is something the insurance companies, of course, will not encourage. They are not going to encourage that. They are not going to sit down on any committees with us and tell us that it is a possibility, but they will talk about group insurance, they will talk about showing us how group insurance is cheaper than one person insuring. But they will not tell us that a nation insuring itself should be cheaper too than one company insuring itself.

The Government has paid so much already—we have paid to build a hospital, we have paid all the overseas bill for these people, we know the health condition of the people in this country, we can weigh it. We know if the people are not healthy. It is my assumption that the people are so healthy that, except in these difficult illnesses or accidents, where usually it is going to cost more than \$25,000. The majority of people are in good health.

We have a lot of people who are paranoid, who are neurotic and think they are sick all the time. We come from a society where people think they are sick. The doctor will ask them how they feel.... I used to tell the joke about the old woman who, when asked how she was doing, would say, 'I'm not doing too bad, but I got some arthritis, and my gallbladder, and my rheumatism.....' If you ask somebody how they feel, they will tell you how terrible they are feeling.

We have people who go to the hospital and say that they need to go to Miami, and we know they do not need to go to Miami. The doctors say they do not need to go to Miami, but at the end of the day, to pacify them, we end up having to send them to Miami and pay these big bills. What's wrong with them? Nothing! A lot of those situations exist. But, basically, we have had a healthy population because the Caymanian people throughout history have been healthy people—we have good diets in this island with very good medical care. Our hospitals have always been number one in terms of the treatment.

My contribution is to say that perhaps we should look at this thing from a different perspective. It is not a question of whether or not we can afford health insurance. The question is whether or not we can afford to do without it. We can afford health insurance, but some people cannot afford it. Those people who cannot afford it will be covered by Government anyway, not by the insurance companies. And since Government is being so generous in covering those people who cannot afford it or those people the health insurance companies will not insure, then Government should at least be given the opportunity to reap the profits (if there are any) to be made. That seems fair.

We are not pushing anybody out. Nobody came and said that they were going to do this for all of us. We know that we have had a problem in this country in terms of access to capital. We are always going out to borrow and paying interest, when we could be borrowing from ourselves by exhibiting a little bit of collective common sense. Discollective common sense I will leave, of course, to the Honourable Member for Finance and other people like that to advise us on in the future.

I support the principle of this Bill. I would like to know a little bit more about how much it is going to cost, and if it costs that much, then its going to be a cost to Government.

If there will be a cost to Government, maybe the best thing for Government to do is to look into the possibility of creating its own health insurance company to insure those people of the Cayman Islands it can insure. It does not necessarily mean that Government has to tell the private sector that everybody has to insure with the Government Insurance Company. But, certainly, it would be wise for the Government to consider that if it had its own insurance company it would give people the opportunity to insure with Government.

As long as Government has money it means that the indigent person can be taken care of; it means that a person with a heart condition, or a blood pressure condition can be taken care of. It means that a person with AIDS can be taken care of, and a person with a social disease can be taken care of. When the insurance company has the money it does not mean the same.

Thank you.

The Speaker: Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 3.36 P.M.

PROCEEDINGS RESUMED AT 4.12 P.M.

The Speaker: Please be seated. Debate continues. The Second Elected Member for Bodden Town.

Miss Heather D. Bodden: I rise to offer my support to all the hard work that has gone on in the effort to reverse the present financial strain on Government by providing medical care for the needy.

It goes without saying that making a decision to impose regulations that affect both the employer and the employee comes with great difficulty, and requires much work and input from both the public and private sectors. Mr. Speaker, the Honourable Minister for Health has worked long and hard to bring this Bill to this Honourable House. I know that he has made every effort to deliver the appropriate measure to correct the situation. There are many people in these islands who may not take the necessary steps to protect the health and welfare of their families. This measure is therefore designed to make sure that everyone is covered.

Government is investing a substantial amount of money in the new hospital as well as the district health care clinics which will provide excellent medical services for the people of these islands. However, Government cannot be expected to bear the burden of all costs associated with health care, which is why a new measure to deal with this problem is in order.

Nevertheless, I would like to take this opportunity to solicit further information from the Honourable Minister. I am asking what percentage of businesses on the island do not presently offer coverage to their employees? Do you feel that this Bill will address the problem of Government's present responsibility to settle the unpaid hospital bills of certain individuals who could not pay? People who are responsible are responsible for themselves; people who are not will never be. Is this where the problem lies, and does

this measure address that concern? What other solutions were taken into consideration? Is this the only way to achieve the needed results?

Mr. Speaker, I thank you, and I would like to thank the Minister in advance for clarifying these issues. With that I offer my full support for the Health Insurance Bill.

The Speaker: The Third Elected Member for Bodden Town.

(4.13 PM)

Mr. Roy Bodden: Mr. Speaker, I can well recall the time when this country had the system of socialised medicine, and health care was not only widely accessible, but it was free to all and sundry. It was a great source of pride to me, when I left the Cayman Islands in the mid 1970s and went to another jurisdiction which was, comparatively speaking, more modern, industrialised, developed and certainly economically more sophisticated, when I made the observation that our system of socialised medicine and health care was much better off, much more accessible and amenable, particularly to the poor and needy. And, certainly, far less bureaucratic.

Unfortunately, over the ages we have not been able to maintain that system. We got caught up in the throes of 'modernity', as one might express it, and we have found ourselves in the quandary that all of the developed countries (the United States, Canada and all of Western Europe and Japan) have found themselves in: namely, How can we arrive at a system of universal health care which affords the wide range of services to both the rich and the poor, alike, taking the burden for payment away from Government?

As a consequence we have sought a common solution in universal health insurance. This in itself is perhaps the most practical solution—it certainly is the most attractive, and would seem to be the easiest solution; except for the fact that we in the Cayman Islands (like many of these other jurisdictions) have little or no control over the agencies offering health insurance. They are usually private and motivated by the urge and the absolute necessity to make profit—many times, with no regard for the poor and those who have difficulties paying, and in many cases with complete disregard to those people who seemed to be most vulnerable.

I heard a previous speaker express some concerns over the fact that certain social diseases are not covered, and he very eloquently articulated his concerns. I want to go a step further and make the point that it strikes me that in many cases the reason why certain companies are reluctant to cover these diseases is because of a certain prejudice that they may have. They believe that these diseases are common phenomena among only a certain class, and that the people who may be able to pay for these kinds of diseases would seek to be discreet in coming forward, and hence not liable to call publicly on any kind of claim. They would rather settle out-of-pocket for fear of embarrassment, social stigma or otherwise. I believe that in this regard it is a most unfair system.

I was reminded, as I listened to that speaker, that in the West Indies we do not necessarily share the European and the North American stigma about certain things that we are caught up with as a result of certain kinds of social behaviour. While no society is exempt from this kind of phenomena now, the fact that we are not being covered for such eventualities begs the question: Is what we are being offered really in the best interest of all and sundry, or is the offer primarily based on the profit motive?

I am acknowledging that a certain risk is involved on the part of the insurance companies. But, I also have to lay the argument that the reason why this jurisdiction with such a small pool of people is attractive is because historically we have been a very healthy nation. The mere fact that our Government could offer a system of complete socialised medicine for so long means that the Government was not inundated with expense until recently when, perhaps for dietary reasons and a more sedentary lifestyle, we have begun to be affected by certain ailments which basically have their genesis in the fact that our diet has changed significantly; and because of our work habits and lifestyles we do not exercise nearly as much as we should resulting in certain diseases like heart conditions, hypertension, and so on.

Mr. Speaker, the attempt to provide health insurance is a noble one indeed, and this Honourable House was well reminded that this has not been the first attempt. Perhaps the ideal solution will escape for a long time, but it is my belief that we can get a more equitable, comprehensive system and a fairer system; a system that will not seemingly penalise a certain section of our population; a system which, when it comes to identifying certain categories, will make identification in such a way that it is not demeaning.

The problem with these kinds of attempts is that we have categories like the 'indigent', the 'uninsurable', the 'partial uninsurables', and so on and so forth. Those categories in themselves should not be frightening and are not necessarily prohibitive. The challenge comes in with who is doing the labelling, and setting the criterion. If we allow the insurers to set up these categories, and allow them only to pick from the pool they want, quite naturally they are going to leave out those elements they consider to be the greatest risk. To take in high risk people would mean having to take a cut in some of the profits.

Unfortunately, in these instances we have to take the good with the bad. I have to agree with the observation that I would like to see some acceptable definition of these categories made by a body or a caucus of people and have that definition entrenched in the Law. What may appear uninsurable to my particular bent and prejudice, might not necessarily be uninsurable or indigent to someone else who has a totally different perspective, or who approaches the situation from a different point of view.

This leads me to suggest that I would have been happier to see the affairs administered by a commission rather than by an authority, particularly as the Monetary Authority is fairly new in its structure and will have the additional challenges of setting up all the other elements which make up our international financial centre. I would have been happier to have seen an insurance commission, which

would not have been farfetched; it could have had in its make up one or two lay members who would have some kind of ideas and feelings representative of what I would call the rank and file. I think in many jurisdictions there are such commissions.

While I am on this note of the commission, this commission could also serve as an appellate body to which anyone who felt that they were aggrieved or not treated fairly could bring their complaint, rather than bringing their complaint to the Monetary Authority. It could be structured in the same way where if one were not satisfied one could go all the way to the Grand Court. I believe it will be bureaucratically cumbersome for the Monetary Authority, with all of its other roles, duties and responsibilities, to take on this responsibility at a time when it is still growing and evolving.

There can be nothing much more controversial than this whole notion of claims against insurance companies. It is sometimes one of the most challenging, time-consuming and fraught with dissension elements that we could ever hope to get into. So I would say that this is an area which could be looked at more fully.

Mr. Speaker, I would have been happy to have had at my disposal the findings of some independent actuarial assessment. That would have allowed me to speak from known facts with regard to what numbers we need to be thinking about in the high-risk pool; what kinds of ailments we are likely to be dealing with, and the kind of expenses which result from the treatment of these ailments. The absence of this kind of information places us at a serious disadvantage in any negotiation with the insurance companies. We are unable to say that we believe that the ceiling should be an amount other than what they are advocating. Remember, we have no fixed ceiling. The rates will vary between \$35 and \$60, but we have no starting point.

I would have been very happy to have been able to say; 'Here is the cost of a basic package, and this is what the basic package offers. However, if you are desirous of going beyond this here is what you can pay for the kind of coverage that is available to you.' Mr. Speaker, such a situation will enable the consumer to choose according to what he or she can afford. The absence of that does not bode well for any kind of manoeuvrability in terms of those people we might call 'indigent' or who, for whatever reason, might be limited in their ability to buy insurance.

Also, it would allow the Government to be in a position where it could more easily calculate whether it will have to subsidise, or underwrite, and by how much. It would certainly enhance our bargaining position, as well as allow us to calculate whether in years to come this pool was likely to grow in numbers, remain stagnant or decrease.

Here, again, I have to think of this whole concept of social diseases. If one reads *The Caribbean Week* newspaper, one will see that in almost every island of the Caribbean at some stage or another there is a problem with what anthropologists and sociologists call social diseases. In some cases in the Caribbean they are endemic at times. To exclude this from coverage is downright dangerous because it is forcing persons who have the misfortune to contract these diseases to either go to very great personal ex-

pense paying for treatment out of their own pocket, or take a careless attitude and not seek any treatment resulting in perpetuating the problem. In the long run, the ultimate responsibility and moral obligation falls on the Government. Such a situation would certainly be counter-productive to what the Government is trying to do.

Expressed in another way, what I am saying is that some consideration should have been given to the kinds of phenomena one is likely to experience in a jurisdiction such as this, and some provision should have been made for dealing with those phenomenon. We have to be very careful that we are not setting up a situation for the insurance companies where they can choose what they want to cover, taking only the desirables and leaving the undesirables for the Government to pick up the tab. This brings me to the other point I heard the other day.

The Speaker: Honourable Member, before you go to another point, we have passed the hour of 4.30 PM. Would it be convenient to take the adjournment?

Mr. Roy Bodden: Certainly, Mr. Speaker. But when I get like this I could go all night!

The Speaker: I will entertain a motion for the adjournment. The Honourable Minister for Education, Aviation and Planning.

ADJOURNMENT

Hon. Truman M. Bodden: Mr. Speaker, I move the adjournment of this Honourable House until 10 o'clock tomorrow morning.

The Speaker: The question is that the 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.

The Speaker: The Ayes have it. The House stands adjourned.

AT 4.33 PM THE HOUSE STOOD ADJOURNED UNTIL 10:00 AM THURSDAY, 12TH JUNE, 1997.

**EDITED
THURSDAY
12TH JUNE, 1997
11.00 AM**

The Speaker: I will ask the Honourable Second Official Member to say prayers.

PRAYERS

Hon. Richard Coles: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed.

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

APOLOGY

The Speaker: I would like to advise Honourable Members that I have apologies for absence from the Clerk, Mrs. Georgette Myrie, who is away on sick leave in Miami. On behalf of the Honourable House, I wish her God's blessings and a speedy recovery.

Questions to Honourable Members/Ministers. At this time I would ask for the suspension of Standing Order 23 (7) and (8) to enable us to take questions after 11:00 AM.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

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

Hon. Truman M. Bodden: Mr. Speaker, I move the suspension of Standing Order 23(7) and (8) to allow questions to be taken after 11:00 AM.

The Speaker: The question is that we suspend Standing Order 23 (7) and (8). I shall put the question. Those in favour, please say Aye... Those against, No.

AYES.

The Speaker: The Ayes have it.

AGREED. STANDING ORDER 23(7) AND (8) SUSPENDED TO ENABLE QUESTION TIME TO CONTINUE.

The Speaker: Question No. 97, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 97

No. 97: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister responsible for Education, Aviation and Planning to (a) state the total cost of construction of the Teachers' Centre at the Creek, Cayman Brac, to date; and (b) to further state whether or not the building is completed and, if not, how much more funds will be required to complete this said project.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The total cost of construction of the Teachers' Centre to date is CI\$189,421.23. The building is completed and the Assistant Education Officer for Cayman Brac is in the process of moving in. The date set for the official opening of the building is 30th June. Additional funds for landscaping and paving the driveway and parking area will be required and estimates from the Public Works Department on Cayman Brac have set these additional costs at approximately \$25,000.

SUPPLEMENTARY

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister state if there are any plans to build a cistern for the Teacher's Centre?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: There is a problem with the water there at present in that the well-water being used for the water system is not good. I appreciate the Member bringing this to our attention, and it will put me in a better position to go back and state that a Member of the House is asking for this. They will have to find a solution, if not with a cistern, then they will have to correct this some way.

The Speaker: If there are no further supplementaries, the next question is No. 98, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 98

No. 98: Mr. Roy Bodden asked the Honourable Minister responsible for Agriculture, Environment, Communications and Works to provide the cost of the Harquail By-Pass construction up to the end of May 1997.

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John McLean: Up until 31st May, 1997, total expenditure on construction of the Harquail By-Pass is C\$1,822,046.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister advise the House whether or not this work is on schedule thus far, and is the Minister in a position to give us an estimated time for completion?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John McLean: The project is on line with the expected time, and it is hoped that it will be completed close to the end of this year. Originally we felt it would be in November, and we still feel it will be.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister say if the Public Works Department has done the work which has been completed on the project so far, and, if that is the case, can he say to what level the Public Works Department will take the road before any private parties have anything to do with it?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John McLean: The Public Works Department has been fully involved with the road as far as de-mucking and spreading of the rough surface. It is our intention to complete the roughing-in of the road. Thereafter, as far as the surfacing is concerned, I am certain that we will do some of that. It is quite possible that some may go out to contract.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: In the substantive answer provided by the Honourable Minister, he stated a figure of \$1,822,046. Can the Honourable Minister, without going into a lot of detail, give us some indication where these funds came from? Were they allocated specifically for this, or did some funds have to be shifted from other votes in order to get this far?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John McLean: Funds were voted for the Harquail By-Pass, and that is what we have been working with. I know of no virement of funds to work on this. The Government took a decision to do as much as possible in-house, and that is how the project has been going.

The Speaker: If there are no further supplementaries, the next question is No. 99, standing in the name of the First Elected Member for George Town.

QUESTION NO. 99

No. 99: Mr. D. Kurt Tibbetts asked the Honourable Minister for Education, Aviation and Planning how the Ministry for Education plans to address the problem of the obvious lack of space for new students who will be registered to enter the Red Bay Primary School in September of this year.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

DEFERMENT OF QUESTION NO. 99

Standing Order 23(5)

Hon. Truman M. Bodden: Mr. Speaker, I do not have the answer to this question this morning. May I ask that it be deferred? I apologise for that. I have the draft and I can answer it either tomorrow or the following day. I should point out that I always try to put as many questions as I can, but sometimes even I am not able to get some of them in here on time.

The Speaker: The question is that Question No. 99 be deferred until a later sitting. I shall put the question. Those in favour, please say Aye... Those against, No.

AYES.

The Speaker: The Ayes have it.

AGREED. QUESTION NO. 99 DEFERRED UNTIL FRIDAY'S OR NEXT WEDNESDAY'S SITTING.

The Speaker: Deferred Question No. 90, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

DEFERRED QUESTION NO. 90

(Deferred on Wednesday, 10th June, 1997)

No. 90: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister responsible for Community Development, Sports, Women's Affairs, Youth and Culture what procedure is in place for reporting injuries and/or other illnesses of patients of the Kirkconnell Community Care Centre to their immediate families.

The Speaker: The Honourable Minister responsible for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: Within the programme, if there is an injury or other illness of a resident of the Kirkconnell Community Care Centre, the Supervisor notifies the family member listed on the files as the next of kin. This is done as soon as possible. This is standard procedure through the Adult Special Needs Programme in Grand Cayman and Cayman Brac.

SUPPLEMENTARY

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister say whether or not a log is kept as to when notification was made to the next of kin?

The Speaker: The Honourable Minister responsible for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: I do not know, but I will certainly find out and let the Member know.

The Speaker: If there are no further supplementaries, the next question is deferred question No. 91, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

DEFERRED QUESTION NO. 91

(Deferred on Wednesday, 10th June, 1997)

No. 91: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister responsible for Community Development, Sports, Women's Affairs, Youth and Culture to

state (a) whether or not a Resident Supervisor has been employed at the Kirkconnell Community Care Centre and, if so, what is the nationality of this person; and (b) to state whether or not a Caymanian understudy has been identified for this position.

The Speaker: The Honourable Minister responsible for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: Yes, a Resident Care Supervisor has been employed as of 1st April, 1997. She is a Registered Nurse with a Bachelor of Science Degree in Nursing, Masters of Science Degree in Public Health. Her nationality is Jamaican.

Prior to accepting the post as Resident Care Supervisor, she held the post of Tutor and Clinical Instructor in the Department of Nursing at the West Indies Training College. She has also held the position of co-Director of the Department of Nursing.

Her experience and background as a nursing instructor was a major asset which was felt could be used to provide continuing on-the-job training for those already employed and also to provide training for persons interested in joining the programme to work at the Kirkconnell Community Care Centre.

The answer to part (b): No, the present Care Supervisor was employed on 1st April, 1997, after an advertisement for the post was placed for two weeks in the *Caymanian Compass* in June 1996. There were only three applicants all of whom were non-Caymanian. However, should a suitably qualified Caymanian be identified, he/she will be considered to understudy the current Supervisor.

SUPPLEMENTARY

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister say, if a suitable Caymanian is only one part of the commitment to Caymanianise it, if a suitable Caymanian can be found and trained in the interim?

The Speaker: The Honourable Minister responsible for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: I would certainly hope so. I will do whatever I can to accommodate the concerns of the Member and others in the community. I give that undertaking.

The Speaker: If there are no further supplementaries, that concludes Question Time for this morning.

Other Business. Private Member's Motion No. 3/97, Independent Evaluation of Economic Feasibility of the use of the Port Authority Crane, to be moved by the Third Elected Member for Bodden Town.

Prior to calling on him, I would advise the Mover and the Seconder that this could possibly be a sub judice matter, and I will ask them to be very cautious in their presentations. The Third Elected Member for Bodden Town.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 3/97

INDEPENDENT EVALUATION OF THE ECONOMIC FEASIBILITY OF THE USE OF THE PORT AUTHORITY'S CRANE

Mr. Roy Bodden: Thank you, Mr. Speaker.

I beg to move Private Member's Motion No. 3/97, entitled: Independent Evaluation of the Economic Feasibility of the use of the Port Authority's Crane, which reads as follows:

"BE IT RESOLVED THAT Government give consideration to an independent evaluation of the crane service on the dock to determine whether the proposed use of the Port Authority's crane is the most feasible or whether other equipment can be more economically operated;

"AND BE IT FURTHER RESOLVED THAT the findings of any such independent evaluation be laid on the Table of the Legislative Assembly."

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I beg to second the Motion.

The Speaker: Private Member's Motion No. 3/97 has been duly moved and seconded and is now open for debate.

The Honourable Minister for Tourism, Commerce and Transport.

POINT OF ORDER (*Sub judice*)

Hon. Thomas C. Jefferson: I am rising on a point of order. Standing Order 35 (1) states that "...reference shall not be made to any matter on which judicial decision is pending in such a way as might, in the opinion of the Chair, prejudice the interest of the parties thereto."

I took the time this morning to obtain a copy of the litigation which has been filed with the courts, Cause No. 367 of 1997, between Thompson Shipping Company, Limited (the Plaintiff), and the Port Authority of the Cayman Islands. That being the case, it seems clear to me that any response by the Government to this Private Member's Motion may disclose information which can or

will be used in the judicial proceedings which have been filed. According to this Writ of Summons, it was issued on 9th June, 1997.

Also, in *Erskine May* 21st Edition, page 326, matters awaiting judicial decisions are discussed. With your permission, Mr. Speaker, I would just like to read what it says: "**The House has resolved that no matter awaiting or under adjudication by a court of law should be brought before it by a motion or otherwise. This rule may be waived at the discretion of the Chair. Exceptions have, for example, been made on matters before civil courts which relate to Ministerial decisions or concern issues of national importance, matters which have no likelihood of coming before the courts in the reasonably foreseeable future, and matters which, though touching on issues which are *sub judice*, are unlikely to affect any judgment. The general rule also applies to motions for leave to bring in bills but the House has expressly resolved that the *sub judice* rule is qualified by the right of the House to legislate on any matter.**"

"A motion or an amendment which is the same, in substance, as a question which has been decided during a session may not be brought forward again during that same session. The question has been raised, as to whether this rule would apply as between a motion and a bill but so far no case for the application of the rule has been made out. Attempts have been made to evade this rule by raising again, with verbal alterations, the essential portions of motions which have been negated. Whether the second motion is substantially the same as the first is finally a matter for the judgment of the Chair."

Perhaps for repetition I should say that there is no doubt that a court case is eminent. Any comments, whether by the Mover, the Seconder, or by myself replying, are bound to be used in the court proceedings. I make formal objection to this Motion being debated in this House. I feel, and I put it to you, Mr. Speaker, that this Motion is sub judice.

The Speaker: Before you continue Third Elected Member for Bodden Town, I would like to address the point of order which the Honourable Minister has raised.

It is my understanding that this is asking for an independent evaluation of the economic feasibility of the use of the Port Authority Crane. I have no knowledge of a suit pending other than what I have heard, and I do not know the nature of the presentation that will be made by either side. I am of the opinion that we should hear what the Mover has to say concerning the moving of this Motion. If at any time I feel that he is touching on a sensitive matter, I will not hesitate to stop him; but I do not believe... and I make it very clear that I am not a lawyer, and I am subject to what study I have made on this issue. It was only brought to my attention minutes before we came into the Chamber that a process in the courts had been instituted. I was told minutes before that that there had not been. So, in fairness to both sides, I think I should allow the

Mover to move the Motion. I will ask him again (as I did prior to the moving of the Motion) to be very careful in what he says because I cannot allow him to move into a sub judice matter.

The Third Elected Member for Bodden Town.

Hon. Thomas C. Jefferson: Mr. Speaker, if I may.... I have a copy of this Writ. I am quite prepared to let you have a copy of it, and ask you to study it before coming to your final decision.

Mr. Roy Bodden: Mr. Speaker, I noticed that the Minister said that he obtained a copy of the Writ. Is he saying that the Writ was served on the Port Authority? Or that he went to the courts, or someone else, to receive a copy?

This matter rests entirely in the discretion of the Speaker. But I draw to the attention of the Honourable House two facts: One is that the matter of the Port Authority crane was the subject of questioning in Finance Committee on 10th April, 1997. During that time the only mention of Thompson Shipping was by the Honourable Minister. I, as the principal questioner, made no such designation. I draw that to the Chair's attention for consideration.

Secondly, the Motion as tabled makes no mention of Thompson Shipping, or any evaluation of Thompson Shipping. It calls for an evaluation of the Port Authority's crane. If the Minister is saying that he fears an evaluation of the proposed crane service by the Port Authority, then I can understand. But this House does not have any proposal to evaluate anything to do with Thompson Shipping. All it calls for...

POINT OF ORDER (Misleading)

Hon. Thomas C. Jefferson: Mr. Speaker, on a point of order.

Mr. Roy Bodden: May I hear the Minister's point of order?

Hon. Thomas C. Jefferson: (*Addressing the Third Elected Member for Bodden Town*) I am going to give my point of order to the Chair, not to you.

My point of order is that I made no remark or inference that I feared any evaluation. I do not want the Member saying to the public that that may be my motivation.

The Speaker: I think the Minister is right. He did not infer that.

Mr. Roy Bodden: Mr. Speaker, neither did I. I said, "If it is his fear..." I did not say that he made a statement. I said, "If it is his fear, then I can understand..." I mention this because the Minister displayed no apprehension about talking about Thompson Shipping. We are not going to talk about Thompson Shipping.

Mr. Speaker, the matter rests entirely with your jurisdiction. I caution any attempt to stifle democracy under whatever guise or pretext. The ultimate judge of this will

not be the Mover or the Seconder, and may not even be this Honourable House.

The Speaker: I will suspend proceedings for ten minutes while I study this document.

PROCEEDINGS SUSPENDED AT 11.33 AM

PROCEEDINGS RESUMED AT 2.30 PM

The Speaker: Please be seated. Proceedings are resumed.

The First Elected Member for George Town.

PERSONAL EXPLANATION (Standing Order 31)

Mr. D. Kurt Tibbetts: Under Standing Order 31, I would crave the Chair's indulgence to make a personal explanation in regard to Private Member's Motion No. 3/97.

The Speaker: Please proceed, but try to be brief.

Mr. D. Kurt Tibbetts: This has to do with being the Seconder of Private Member's Motion No. 3/97. While I respect what has taken place today, I believe that there may be some misunderstanding in regard to the real intent of the Motion.

To quickly refer to the Motion itself, the Motion reads: "**BE IT RESOLVED THAT Government give consideration to an independent evaluation of the crane service on the dock to determine whether the proposed use of the Port Authority's crane is the most feasible or whether other equipment can be more economically operated;**

"AND BE IT FURTHER RESOLVED THAT the findings of any such independent evaluation be laid on the Table of the Legislative Assembly."

As the Seconder of this Motion, I had no thought with regard to using the Motion to point fingers at any individual, or any group of people, or in any way to put anyone on the spot. The purpose was—because the people of this country are totally confused about this issue and have formed opinions which when I speak to them I know are wrong—to simply clear the air. That was the whole purpose of the Motion. As representatives of the people, regardless of where we sit in this Honourable House, we have a responsibility to ensure that matters of national importance are open and understood. Regardless of what happens, we are only custodians of their authority—if I may say it like that.

I hope that the intent was not misinterpreted, and, while I respect what is going on, I want everyone here to remember that we have a responsibility to the people of this country, to let them know what is happening when there are matters of national importance. He who thinks that this issue is not a matter of national importance is either tremendously misled, or sadly mistaken.

SPEAKER'S RULING ON PRIVATE MEMBER'S MOTION NO. 3/97

The Speaker: When we adjourned earlier this morning, I said that I was going to attempt to do as much research as I could to make a decision. My decision is as follows:

I ordered that Private Member's Motion No. 3/97, entitled, An Independent Evaluation of the Economic Feasibility of the use of the Port Authority Crane, be placed upon today's Order Paper in compliance with Standing Order 25(1), and with reference to pages 326, 377-379 of the 21st Edition of *Erskine May* regarding matters relating to and awaiting judicial decisions.

Following the Motion being moved and seconded this morning, the Honourable Minister responsible for Tourism, Commerce and Transport rose on a Point of Order and brought to my attention a Writ of Summons from the Grand Court of the Cayman Islands, Cause No. 367 of 1997, between Thompson Shipping Co, Ltd., and the Port Authority of the Cayman Islands, a copy of which was delivered to me by the Serjeant-at-Arms. After having considered the Writ of Summons together with the Motion, I shall now order that Private Member's Motion No. 3/97 be stood down for the time being.

But since the House has priority to proceed with its business, I will not allow debate to be postponed indefinitely. I will therefore propose that on Thursday, 19th June, 1997, I will entertain a further application for the matter to be debated. I hope that this will satisfy both sides of the House. In the interests of justice to the House and to the parties to the litigation the matter is sub judice and they should proceed swiftly.

We will now move on to Government Business, Bills, First Reading. I will first ask the Honourable Minister for Education, Aviation and Planning to suspend Standing Orders.

GOVERNMENT BUSINESS

SUSPENSION OF STANDING ORDER 46(1)

Hon. Truman M. Bodden: I move the suspension of Standing Order 46(1). While the Bills have been circulated for more than 21 days, the Bills have actually not been printed and gazetted. Members did get the requisite notice of them, it is just that the printed copy has not yet been gazetted.

The Speaker: The question is that Standing Order 46(1) be suspended. I shall put the question. Those in favour, please say Aye... Those against, No.

Mr. D. Kurt Tibbetts: Mr. Speaker. You will have to guide me here, but when there is a motion of this nature put, do Members not have an opportunity to speak to it before the question is put?

The Speaker: This is usually just a procedural matter. But if you desire the opportunity, I will grant it.

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker, I desire the opportunity.

In regard to this specific Bill, I wish to place on record (having heard the Honourable Minister's explanation) that I am totally against suspending any Standing Order for this Bill to be brought to this Honourable House. A similar Bill was printed in the green form during our last sitting. It was withdrawn because of the controversial matters in it. It has not been gazetted as the Minister has said.

As you just said, sir, it is usually a procedural matter, but I want it clear that if it were left to me the natural course of events would have to take place with this Bill because I believe it is still controversial. This House can move on with its passage, but it will do so without me.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I have now asked the Deputy Clerk to have someone call and find out why the Bill has not been printed. Perhaps the Honourable Member who just objected to this has the answer, because he is the printer. I guess I will ask him: Has it been printed or not? It was issued well in advance. While I take note of his objection, normally a Bill like this would have been printed and gazetted within the 21 days. I am at a loss as to why it is not.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I have no idea why the Bill has not been printed. I have a faxed copy of the last Gazette which was Monday, 9th June. As the Minister just said, I am responsible for the printing of the Gazette. There are 11 supplements in that Gazette. This Bill is not one of them. From whence it cometh, I know not—I just know it did not come.

The Speaker: Let us not prolong this too much longer. The Fourth Elected Member for George Town.

Dr. Frank McField: I was just rising to state that we have all been aware of this Bill for quite some time. I would just like to say that I have had time to think about it, I think it is a Bill that the House is capable of dealing with at the moment and we should deal with it. It is very important that we do not continue to postpone and procrastinate.

The Speaker: I put the question once, but for clarity I will put it again. Those in favour of suspending the Standing Order, please say Aye... Those against, No.

AYES and Noes.

The Speaker: The Ayes have it.

Mr. D. Kurt Tibbetts: May we have a division?

The Speaker: Madam Clerk, please take a division.

Clerk: **DIVISION NO. 16/97**
(Suspension of SO 46 (1))

Ayes: 12

Hon. James M. Ryan
Hon. Richard H. Coles
Hon. George A. McCarthy
Hon. W. McKeever Bush
Hon. Thomas C. Jefferson
Hon. Anthony Eden
Hon. Truman M. Bodden
Hon. John McLean
Mr. John Jefferson, Jr.
Mr. D. Dalmain Ebanks
Dr. Frank McField
Miss Heather Bodden

Noes: 2

Mr. D. Kurt Tibbetts
Mr. Roy Bodden

Abstentions: 3

Mr. Linford Pierson
Mrs. Julianna O'Connor-Connolly
Mrs. Edna Moyle

The Speaker: The result of the division is 12 Ayes, two Noes, three Abstentions. The Ayes have it.

AGREED BY MAJORITY: STANDING ORDER 46(1)
SUSPENDED TO ENABLE THE BILLS TO BE READ.

The Speaker: Bills, First Reading.

BILLS

FIRST READING

THE MISUSE OF DRUGS (INTERNATIONAL CO-OPERATION) BILL, 1997

Clerk: The Misuse of Drugs (International Co-operation) Bill, 1997.

The Speaker: The Bill is deemed to have been read a first time and set down for second reading.

Bills, Second Readings. Continuation of the debate on the Health Insurance Bill, 1997. The Third Elected Member for Bodden Town.

SECOND READINGS

THE HEALTH INSURANCE BILL, 1997

(Continuation of debate thereon)

(2.44 pm)

Mr. Roy Bodden: When we adjourned yesterday afternoon, I was making the point that one of my concerns

with this Bill was that certain other considerations were not taken into account. The fact is that one of the problems we have in our society is that more and more young women are becoming pregnant at an earlier age. I consider that important, as far as this Bill goes, for two reasons: One is that as it now stands there are some limitations on the coverage for pregnancy. It also speaks something about the behaviour of this society, and it comes back to a point made earlier about certain other conditions, namely, social diseases not being covered.

I would rather have seen a Bill where greater consideration was given to these kinds of situations and circumstances. I believe any Bill which promotes coverage that does not take this into consideration may fall short from the ideal of what we should be seeking at this time.

Past experience tells us that it is not easy to arrive at a Bill which is going to instantly be accepted and pleasing to everyone. We may never arrive at an ideal situation. In this case I believe the Minister can take many pointers into consideration and, if he so desires, can amend the Bill taking into consideration the expressed concerns of Members of this Honourable House.

One of the things which concerns me as well is the fact that the companies offering these policies (and it is my understanding that there may be about three or four interested companies) will have a wholly captive market. When considering that the funds paid into these policies will be significant, I must say that I am an advocate of developing a system in this country where we can do something about the hard currency drain which is almost a natural consequence of these kinds of provisions.

If we take two examples and consider that the premiums (for the sake of argument) will be \$60 per month, with roughly 32,000 people in the country, we are talking about \$25 million per year—the majority of which will be leaving this country. If we begin from the low end and say it would be between \$30 and \$35 per month, we are talking about \$12.5 million per year.

My argument is that this is bound to have negative effects on our economy. Remember, this will affect every employer—and we are particularly talking about small businesses who will have to contribute for the one or two employees they may have, in addition to the proprietor taking care of himself and his family. What I would rather have seen happen (and I remain to be convinced that it

cannot happen) is that when we have to address issues such as this we do it in stages, over time.

I am an advocate of the Government seeking to set up its own captive insurance system, because it will already have a pool of about 2,000 to 3,000 civil servants with which to start. Allow that to exist for a couple of years to see how it works, then the Government could broaden its horizons. Any monies earned could be put into a pool which could then be farmed out for other projects—such as housing for certain segments of the society—rather than all of the money going outside of the country to private investors where the Government has no access to the money; or, if they did, they would have to borrow it at commercial rates which is definitely not in

favour of the Government and cannot be beneficial to those people needing the types of resources the Government could offer.

I am bound to say that this is an idea which will not find favour in the Chamber of Commerce and all of these other companies who are in business purely for the profit. I am an advocate of charity beginning at home, and I think that we could really have innovative Government in this case if we looked at something like this. That is another reason why I say I would have loved to have seen this worked out in stages.

Remember too that by the time this is implemented the Pension scheme will have gone into effect—under similar circumstances where the Government will not have access to that money. That will be another hard currency drain on the country. I guess what I am saying in a nutshell is that one of the considerations which must be borne in mind is that as a consequence of these policies coming into effect we are going to lose hard currency which we do not now lose.

There is also this business of arriving at a standard policy which can be affordable to all. It is unfortunate that we have to get the Bill before we get the regulations because the regulations are the important part of the legislation. That will tell us how the day-to-day mechanisms will function. In the absence of that, one can only guess as to what kind of effect certain things will have.

One of my concerns is that any legislation like this should be developed so carefully so as not to make it impossible for those at the lower end of the scale to get adequate health care. I have a concern about certain things. Remember, in our case this Bill is going to make it compulsory for everyone in the Cayman Islands to have health insurance. In certain other jurisdictions compulsion does not enter into the question; people who find themselves at an economic disadvantage are covered either through Government mechanisms, the welfare system, or through private charities and donations.

What I am concerned about in this instance is that the policies will be so structured and designed that people who fall on the lower economic end may not be able to afford the kind of coverage they need. The only way we can provide some sort of guarantee is if we go the route of an actuarial assessment where we can find out some of the common types of ailments these people suffer from, and ensure that these become part of a basic package for people in this economic range.

I have to say that I am in total agreement with the principle. I believe that seeking to provide national health insurance coverage is the way to go. Certainly, as a legislator, I am aware of the increasing pressure being placed on the Government, particularly when it comes to standing responsible for overseas expenses. I have never been an advocate of the Government getting into a position where it has to put liens on people's property in order to ensure that they are reimbursed. This is definitely a progressive step.

That it needs some more ironing out and developing, I suppose some would say is a moot point. In principle it

has my support. However, that does not mean that I am going to be voting for the Bill. I have expressed my concerns and school is out until I have heard how the Minister plans to address some of these concerns, as well as others.

I would like to reiterate that I believe that these kinds of cases provide glorious opportunities for our Government to develop mechanisms which will benefit the Government in many different ways. It is a pity that the opportunity could not have been taken for the Government to start out with their own captive insurance policy to take advantage of the economic opportunities this kind of thing presents.

The Speaker: The Third Elected Member for George Town.

(3.00 PM)

Mr. Linford A. Pierson: The Health Insurance Bill, 1997 (the Health Insurance Regulations, 1997, which is still to be laid on the Table of the House), is perhaps one of the most significant pieces of legislation to come before this Honourable House in recent years. While this type of legislation is needed for the people of this country, it should be understood that the Bill before this House comes to us with a fairly high price tag. This is at a time when our people are struggling to cope with the recently imposed new taxation. We have also been advised that effective 1st July, the Pension Plan will come into effect.

Before continuing, let me quickly point out that while I do not oppose either the health insurance or the Pension Plan, as such, I am nonetheless concerned that the burden being imposed at this time may be more than many of our people can bear—that is, with the insurance and the Pension Plan coming so close together, it would appear to be too much, too fast. As mentioned earlier, our people are still struggling to adjust to the new taxation package introduced during the Budget Session.

“This Bill seeks to establish a system of compulsory health insurance in the Cayman Islands whereby all persons resident in the Islands including the unemployed must obtain health insurance.” Nevertheless, I am pleased that the Bill seeks to establish a standard health insurance contract, and that the prescribed health benefits are defined under the regulations, which as I mentioned earlier are still to be laid on the Table of this Honourable House.

Before moving on, may I congratulate the Honourable Minister moving this Bill for the input he has put into the Bill, and for the withdrawal of the draft Bill and regulations some time last year which allowed him the opportunity for further input, and to also make provision for high risk persons. It is also commendable that a high-risk pool has been established whereby all approved providers will accept and share the risk of insuring high risk persons.

I therefore suggest that the Honourable Minister ensure that urgent attention be given to ascertaining the names and details on all individuals who fall into this

category, if this has not already been done. Perhaps in his winding up he can deal with this particular issue.

Underlying all the advantages of having all persons resident in these islands insured, is the high price tag which I referred to earlier. The question at this time is: Can our people afford it? Consider the additional financial burden that will be placed upon the shoulders of the average spouse, whether male or female, who has the responsibility of paying the insurance premiums for a spouse and an average size family of three children. Notwithstanding the good advice given by the Honourable Minister to shop around for health insurance, you can bet that the average premium will not fall far below \$70 per month.

Using this example, with one spouse employed, a family of five (that is the employee, with an unemployed spouse and three children) can find himself possibly paying a premium of over \$300 per month. Unless, of course, he is lucky to get the discount for the additional individuals included in the insurance premium. This is the reason why I will mention at this point that Government should have ensured that the proper actuarial studies and assessments were done so that a guideline could have been given to the insurance providers rather than leaving it up to them.

I also take the point made by the Fourth Elected Member for George Town, that perhaps the Government should look at the possibility of self-insuring. I think that is a very good idea. The figure of over \$300 is a rough one, but it was based on an employee contribution of, say, 50% of a \$70 premium (which is \$35), his unemployed spouse paying \$70, plus \$70 for each one of his children; unless, of course, he was to get the reduction that would add up to \$315.

I would be very pleased if I were wrong with these figures, but in the absence of any actuarial assessments being presented to this House, I believe that my guess is as good as any. The financial obligations of this family are made even worse by the tax increases I mentioned earlier. And, if that were not bad enough, we are told that pension deductions will be added to an already serious situation.

I congratulate the Honourable Minister for moving ahead with this. There is nothing wrong with health insurance, as a matter of fact it is commendable. But I am concerned that it is too much too fast, especially coming before the pension plan and on the heel of the recent increase in taxation.

The example I gave of the family of five, applies to the category of individuals known as the "compulsorily insured person," where at least one spouse is employed. The question is: what will be the plight of the family where the breadwinner, or both spouses are unemployed? If this is a temporary situation where someone is, say, seasonably unemployed for two or three months, will that employee (provided he had no savings to fall back on) automatically fall within the category of an indigent person? Perhaps the Honourable Minister will elaborate on this point in his winding up.

For the benefit of the listening public, the definition given under section 2 of the Bill before us for an indigent person is as follows: " 'indigent person' means a person who, in the opinion of the Minister for the time being responsible for Social Services acting on the advice of the Director of Social Services, is unable, by reason of inadequate financial resources to pay for health insurance or medical services..." Mr. Speaker, that is fairly broad, but it does leave a question as to what it really means. It would seem that any individual who feels that he falls into the category of "indigent person" should contact the Social Services Department to have his case assessed and to receive assistance.

Having addressed the aspect of affordability on the Health Insurance Bill, I now wish to look at the benefits prescribed by the Regulations. Since this was circulated with the Bill, but not yet been laid upon the Table of the House, it makes it very difficult to debate it. In preparing my notes, I had hoped that by this time it would have been laid upon the Table of the House so that the Bill and the Regulations could have been debated concurrently. This is one of the weaknesses of the system, in that the debate on this would have been more meaningful had the Regulations been laid upon the Table of this Honourable House.

With your permission and that of the Honourable Minister, I would make reference to certain sections of the Regulations.

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: Mr. Speaker, I had intended to have that tabled, but it was my understanding that the Governor had to ascent to the Bill before the Regulations could be debated. That is why I have not tabled it. If the Honourable Member would like to... of course, it will disadvantage those who spoke earlier, but I apologise for that.

The Speaker: Please continue Third Elected Member for George Town.

Mr. Linford A. Pierson: Thank you, Mr. Speaker. And I also thank the Honourable Minister.

Accordingly, I wish to draw attention to section 10 of the Regulations, on page 7. Section 10 deals with Maximum Benefits. It reads: "**An approved provider shall not be liable to pay on behalf of each compulsorily insured person-**

- (a) for [each episode] of illness, more than \$25,000 in medical fees;
- (b) during each calendar year, more than \$100,000 in medical fees; and
- (c) for the life of an insured person, more than \$1,000,000 in medical fees."

While on the surface this may seem adequate for most medical conditions, consider the situation where someone is involved in a very serious road accident and has been hospitalised for several months in an overseas

facility where the expenses are in excess of the maximum benefits contained in section 10. Will Government undertake to cover the excess cost where the person is financially unable to do so?

Under section 3(5) of the Regulations (page 4), **“The compulsorily insured person shall be entitled to claim and receive such usual and reasonable costs for any in-patient benefits received.”** The question arises, based on that statement: who decides what is usual and reasonable costs for any in-patient benefits received? Presumably it is the doctor or the facility prescribing the health care benefits. This should include, but not necessarily be restricted to the list of prescribed health care benefits contained in Schedule I of the Regulations.

Regulation 9, which was referred to in regulation 3(5) states: **“Subject to paragraph (3), a compulsorily insured person shall be required to pay for any benefit in Part 1 of Schedule 1 received by him at a health care facility or a registered medical practitioner, 20 per cent of the fee for that benefit.”** What that really means is that if a person received a bill at a hospital for \$1,000, the insurance company would only pay 80% and the person would have to pay the other 20%. This is referred to as a “deductible.” This may not seem to be a significant amount to some people, but to a very poor family, it is a significant sum.

This regulation is really stating that each “compulsorily insured” person shall be required to pay 20% of all claims—no matter how high the claim is—up to a total of \$2,500 per annum. As I said, this is something that is of significance to a lot of people. That is why I said earlier that this Bill, while necessary, comes with a very high price tag. It will create a lot of hardship for many families in these islands because they are already paying some very high costs due to increased taxation and the mandatory Pension Plan might really be more than they can bear. I also wish to point out that I was not exaggerating when I said that many of our people might have to go to the Social Services Department for assistance.

Consider also the time and expenses which will be incurred in maintaining records required under the Law and the Regulations. Not only will the big companies, such as Cable & Wireless, Caribbean Utilities Company, the big banks, etcetera, have to maintain detailed records, but also the small business and private—and I would like to point this out—households employing domestics. If you have a helper, or a gardener, or someone helping as a handyman, you will also have to provide detailed records, which should be available to inspectors appointed by Government.

The following is a detailed breakdown of the records which will have to be maintained. I now refer to section 18 of the Regulations. It states: **“Every employer shall maintain employment and earnings records relating to each employee showing-**

- (a) the name, address, sex and date of birth of each such employee;**
- (b) the dates of commencement and termination of employment;**

(c) if such employee is married and has children, the name and address of his spouse and children and if the spouse is employed the name and address of the employer of the spouse;

(d) the name of the approved provider with whom a standard health insurance contract has been effected; and

(e) the amount deducted monthly from the wages, salary or other remuneration of each employee in respect of health insurance.”

This will have to be done by each employer, whether a householder or a big company.

As I stated in my opening remarks, while this legislation is needed, I would like to underscore the point that it comes at a time when our people are really hurting from the high taxes which were recently imposed by Government, and from other pressures that are directly or indirectly related to that. This mandatory Health Insurance Plan comes right on the heels of these taxes; with the prospect of higher costs when the introduction of the Pension Plan becomes mandatory on 1st July. The question is: how much can our people bear? This is too much, too fast.

Notwithstanding the respect I have for the Mover of this Bill and his good intention, I feel that I would be remiss in my duties as a representative of my people had I failed to raise the points I have today. Accordingly, despite my support in principle of what is being done here today, I find it very difficult to support certain areas of the Bill, in particular, the Regulations as they stand at the present time. I am hopeful that in the Committee stage, when we examine the Regulations, the Mover might be able to address some of my concerns.

The Speaker: This may be a convenient time to take the afternoon break. Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 3.32 PM

PROCEEDINGS RESUMED AT 4.06 PM

The Speaker: Please be seated. Debate continues on the second reading of the Health Insurance Bill.

The Honourable Minister for Community Development, Sports, Women’s Affairs, Youth and Culture.

Hon. W. McKeever Bush: I am very pleased that at long last a Bill to make health insurance mandatory is before us. All of us can remember (and this goes back many, many years, but came to the forefront in 1988 to 1992) when a Bill was brought by the former Member for Health which did not meet the needs as far as coverage or fees that would be charged. In fact, I well remember that an elderly person would have had to pay \$179 per individual.

I have heard a lot of things said over the past years and more recently from different groups of opposition that we do not need this now. But I do not hear anyone com-

paring what we have today with what was offered before. If they did, I certainly did not hear them.

I believe that the Minister and his staff have done well to get this to the stage it is. I congratulate him on getting it. In 1993, the Government took the position that we had to suspend the Bill before us at the time. One does not put legislation together without involving the people concerned. That is what happened to the Bill presented between 1988 to 1992.

I well remember going to Bermuda with my Permanent Secretary at the time, Mr. Leonard Dilbert, to hold discussions with Mr. Reiner, the Actuary who worked on the Law. I found out two things of tremendous significance: the first was that the report he prepared for the Portfolio of the day (which should have been circulated among insurers) was edited prior to circulation by the removal of several pages; secondly, he confirmed our earlier advice at that time that the draft legislation which had been produced was heavily abbreviated. In the final analysis, much was lacking between the draft and the final Law. In substance, what he said was that the former Member messed around with the Actuarial process and report which the Government had paid to have done.

I have taken (and continue to take) quite a bit of stick even though, today, I am not the Minister for Health (and was only the Minister for Health from 1993 to 1994); to the extent that it is being said from public platform that I ran away from the Ministry. Well, any old fool can see that today, the Ministry for Health is but a subdivision of what my Ministry was at the time. In other words, I had the entire thing—Minister for Health and Human Services. So, take off what it is today, and look at what I had altogether. I did not run. It made good sense to split the two, and that is what the Governor did. I have never run from work!

Unfortunately, some people who are on the outside (who criticised me quite a bit from the public platform in Bodden Town the other night), do not understand that they are not Members anymore. They can say that they have a responsibility to talk to the public, but they should remember how far that responsibility goes. At least speak the truth. I have never run from work—I have always considered myself a worker.

Now, a lot of time has gone since we suspended the Health Care Insurance Bill, and many are asking why we are bringing it now when we also have the Pension Plan. Of course, they are also throwing in quite a few other things. The Pension legislation has been around longer than the Health Care legislation. When is this country going to come to grips with it? At one time there was a separation. There was a time when we had one and there was no talk about the other. At one time we spoke about Health Insurance, but we never heard about Pensions. Now that we have the Pension Plan, you are criticising it. What do people want? When do they expect to put things in place?

It is easy for those of us who have a means of getting a pension from the Legislative Assembly, or somewhere else, to stand up and say that we do not need it, or it costs too much so let us suspend it, and all those things

that sound good to people who really do not want to pay. But, to those who have nothing, then what? When are we going to start? How often have we seen elderly people in this country who have nothing to depend on? They worked day in and day out for some company for years, and they walk away with nothing. Must we continue to do that? How else are we going to get them a pension? If you do not want Government to pay them social assistance, what are they supposed to do—dry up on the face of the earth?

I say that if we do not do something now this problem is not going to get smaller, it will grow. Now is as good a time as any, regardless of the Budget, or Health Insurance. We must move ahead, because people are going to suffer in the long run. I know that those persons who are talking about it understand that, but they use it as a whipping horse. The same goes for Health Insurance. No one wants to pay, and some people may not be able to. But there is a provision, as I understand it, for those who cannot pay—the Government will take care of them.

One clause in the legislation is being criticised because it refers to having the Minister make an opinion on who is indigent. I can only do that with the advice of the Director. Nevertheless, as Minister responsible for Social Services, I challenge any one of them, or anybody else in authority, to better know who is an indigent person than me, because I talk to them; I see them, they talk to me on the phone and I go to their homes. I do not need a college education to be able to know who is indigent and who needs assistance in this country. The responsibility the Governor has given me is a charge for responsibility for Social Services. I know that job as good as anybody else.

But, if they want to amend the legislation, I certainly did not ask for that. If they want to change it, that is all right with me too. Whatever works best, and as long as the public is being served in a good way, I am satisfied.

There are things in the legislation that I am not entirely happy with. But it is better than nothing, and it is time to move forward. I think the Minister for Health is doing the right thing. I support him wholeheartedly.

When we get down to the bare knuckles of the Regulations and fees, then more can be said. Right now, I will say that I support it.

The Speaker: Does any other Member wish to speak?
The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: I rise to offer my support to a Bill for a Law to Provide Health Insurance in the Cayman Islands. I recall shortly after I was elected in 1988 that two of the issues at that stage of concern to Members of the Legislative Assembly were Health Insurance and a Pension Plan, or Social Security System.

Health Insurance is something that we need very badly in this country. I believe that Government is very wise in moving forward in this direction, in recognising the fact that it is needed; and putting in place the system

that is fair, comprehensive and, in my opinion, also affordable.

It is comprehensive from the standpoint that medical services will continue to be offered to all persons in our society. Those who can pay, will be called upon to make a contribution towards health insurance coverage requiring that they pick up 50% of the premium for themselves, their spouses and dependents.

I have seen many sad cases in the need for immediate medical attention in this country. I think that we are very fortunate to have a Government that is as humane as the one we have. I have seen cases where an individual runs into some tragedy and, without a question, he is referred overseas with the support of Government. At the end of the day, the Government is called upon to pay, in some cases, hundreds of thousands of dollars.

This country can no longer take the attitude that Government must pay for everything. We have reached a stage where we must act as partners; individuals must pay their fair share, and employers will pay their fair share. At the end of the day we will have the coverage we need for all of our people in this country.

A provision has been made in the Bill for indigent people, veterans, and the Seamen Associations to ensure that they have the medical services they need guaranteed by Government.

I support the idea put forward by the Fourth Elected Member for George Town in that this requirement should not be taken all the way down to cover domestic workers, handymen or gardeners. In many instances, because the single breadwinner, or in the case of a family where both husband and wife have to work, they need someone to take care of their family. This is no longer a luxury, but a necessity. They would find it very difficult to comply with the requirement of this Law for the keeping of records in regard to their employees.

The Third Elected Member for George Town raised the concern about cost, and whether or not our people can afford this. I believe that our people cannot afford not to have it. I believe that this Government is being very responsible in recognising and putting it forward to this House the need to ensure that a proper health insurance programme is available for everyone in this country at a cost not only to Government, but to those who can afford to pay.

I also support the idea of Government having its own captive insurance company. I believe that it should be available and I believe that it would probably result in some saving to Government. The individual who is obligated to have insurance coverage should also have the option to be a part of the Government's insurance scheme. I believe that we need to move ahead with this legislation. It is long overdue.

I wish to congratulate the Minister for Health and his fine support team in putting forward the provisions contained in this legislation. I give this piece of legislation 100% support.

MOMENT OF INTERRUPTION STANDING 10(2)

The Speaker: It is just a few minutes before 4.30. I will entertain a motion for the adjournment. The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddén: Subject to your suggestion, the Honourable Minister has said that he is prepared to begin, if no one else desires to speak.

The Speaker: Does any other Member wish to speak? (Pause) Are we saying that we will continue on? as the time is now 4.29 PM.

Mr. John D. Jefferson, Jr.: May I suggest that if the Honourable Minister would like to wrap this up this afternoon, we entertain a motion to Suspend standing Orders to enable him to do that.

The Speaker: Does any other Member wish to speak? (Pause) If no other Member wishes to speak, I will ask the Honourable Minister if he wishes to reply.

Hon. Anthony Eden: I will be brief, Mr. Speaker, as it has been a long day. I would like to take this opportunity to thank all Members who contributed so positively to the debate on this very important Bill. I will attempt to address some of the points raised by Members, starting first with points raised by the Fourth Elected Member for George Town.

One of the points he raised was the employer's responsibility under this Bill, and the amount of administration involved. This was a concern to the committee, but on the whole...

The Speaker: Excuse Me, Honourable Minister, may I interrupt for just one minute? We need to move a motion to continue beyond 4.30 PM. The Honourable Minister for Education, Aviation and Planning.

SUSPENSION OF STANDING ORDER 10(2)

Hon. Truman M. Boddén: Mr. Speaker, I move that Standing Order 10(2) be suspended to enable the Honourable Minister to conclude his reply to the Bill.

The Speaker: The question is that Standing Order 10(2) be suspended to enable the Honourable Minister to conclude his reply to the Bill. I shall put the question. Those in favour, please say Aye... Those against, No.

AYES.

The Speaker: The Ayes have it.

AGREED: STANDING ORDER 10(2) SUSPENDED TO ENABLE THE HONOURABLE MINISTER TO CONCLUDE HIS REPLY TO THE BILL.

The Speaker: Please continue, Honourable Minister for Health.

Hon. Anthony Eden: I was speaking about the administration of this where companies would be involved in managing and collecting information. It was felt that most of the large and medium companies already have this procedure in place. This was the avenue we looked at.

The other area touched on by a number of Members was leaving out the domestics. Our feeling was: Who would ultimately be responsible for these people? I know of a person recently who employed a domestic who became ill and significant costs were incurred because there was no insurance in place for them.

Under the quote I received from one of these insurance companies, that individual could have paid less than \$20 for insurance coverage. This was not done, and this person incurred significant costs. For this reason I view the providing of insurance for these people as a moral responsibility.

Another question was raised regarding at what age a child should be insured. It is my understanding that it should be at birth.

Just to point out some figures we have gathered over the past few years in regard to the \$25,000 coverage, our statistics have indicated that over 84% of the population of these islands referred overseas, were less than that \$25,000. That is one of the areas we have looked at.

Another question raised was in regard to social diseases. I believe this was raised by both the Fourth Elected Member for George Town, and the Third Elected Member for Bodden Town. We could provide coverage, but the exorbitant fees that would have to be paid for these premiums would defeat the cause of providing coverage for those who need it most. Without a doubt, the premiums would sky-rocket.

In regard to indigents, (just for Members' information), in 1996 there were only ten cases referred overseas whose costs went over \$25,000. Despite the category they fall into, the costs are not that significant to this country. The Third Elected Member also referred to the child and the single parent. We will undertake to look at this in Committee stage.

The Third Elected Member for George Town mentioned the high price tag and burden this would put on our people. When we look at the flip side of the coin, of what the costs would be if there were no coverage put in place, as I said in my opening remarks, none of us would be able to afford the cost of catastrophic coverage. This is a beginning, and there is no historical data from which sound business judgment could have been made. We will be involving an actuary at the appropriate time.

The Third Elected Member for George Town also mentioned the premium for an employee with more than one dependent. I was pleased to see that in a response from insurers, the highest quote returned to us for an employee with more than one dependent was \$190. One of those same companies quoted a premium for a family of \$95 per month.

Some of these will be higher, and economically, it will be a burden on our people; but I would say that the majority of our people who work in the banks and the

trust companies already have this coverage, or better. What we are trying to do here is cover those who are not covered at this time. I see it as an investment.

The deductible was also mentioned, but I am made to understand that this is one of the mechanisms used by the insurance industry to prevent abuse, where people go to the hospital for little more than an aspirin. The cost of the premiums, because abuse the system, would be totally out of control. That is the reason why we have this in place.

The Third Elected Member for George Town also touched on section 10 of the Regulations and asked what happens when the person goes over the \$25,000 limit per illness, or the \$100,000. At present we will have to help them, and in the future we will continue to help them. But as I read to you, the percentage of our population this happens to is less than 17%. If we provided full comprehensive coverage for serious accidents, the people we really need to try and help would not be able to afford the premiums.

The question was raised in regard to 'usual and reasonable costs.' This is a typical health insurance term to discourage the inflation of hospital bills beyond what is genuinely needed to treat the patient's condition. This is another mechanism to keep the cost of the premiums down.

The Member also mentioned the maintenance of records for the insurance. As I have already mentioned, this is in place in the medium and larger companies. When I looked at the list he quoted from the Regulations, when it comes to the individual, I think this information could be retained on a 4 x 5 index card.

As I have said, various concerns were raised in regard to the Bill, and I fully accept that as we go along, this Bill (when it becomes Law) will need some fine-tuning. But you cannot fine-tune an engine until you start it up and let it run. That is what we must do with this Health Insurance Bill—it has been lagging along for too long. As we move forward and notice problems, as the responsible Government and Legislative Assembly, we will address them. Members will remember that I mentioned the fact that people will see some things that makes the Law less than perfect. We will work on it until we are finally satisfied that it suits the needs of our people at an affordable price.

We considered other ways of achieving the goal, as questioned by the Second Elected Member for Bodden Town, but in the end we felt that a Health Insurance system was the most appropriate way to go at this time. This is not to say that some time in the future another mechanism might not be used to achieve the same goals. We looked at Government setting up an insurance scheme; but we decided that at this time Government did not want to get into that amount of bureaucracy at this time.

Mention was made of the fact that the health insurance providers are in this business to make a profit. Of course this is true, and I fully recognise this. It is true of all insurance companies, be it life, car, or health. The companies make a profit and the clients benefit by having

their risks covered. This is the basis of all insurance—it is a two-way relationship.

On benefits and exclusions, we could go on for hours. But the reality is that, the more benefits included, the higher the premiums will go taking it out of the reach of those who need it most. I have looked at many health insurance policies issued in several different countries. The exclusions on our health insurance scheme are common world wide. The Honourable Minister responsible for Community Development, Sports, Women's Affairs, Youth and Culture responded to his position as the one [to make an opinion on who is indigent] but he will be acting on the advice of the Director of Social Services. At this present time, Social Services is the only entity in these islands charged with the responsibility to determine who is indigent.

Social diseases not being included, was mentioned, including a suggestion that they are not because only a particular class of persons gets them. This is absolutely not the case. I well know that social diseases know no class, economic, racial or national barriers. In Cayman, we are presently treating patients who can very well afford to pay, and do. For those who need treatment (both male and female) but cannot pay, we use humane discretion and provide treatment. From a public health point of view, it is only sensible to do so, and this will continue.

In the case of treatment of AIDS, treatment is provided free at the discretion of the Medical Officer of Health. Clearly, this is another situation where in the interest of public health, treatment should be accessible to all who need it.

A reference was made earlier to an actuarial review of the scheme. I would like to state that I have no objection to this taking place once the scheme is up and running. This would be a good time to do it because we would have the benefit of hard data which does not exist at present. But as I said before, we must start the engine before we can fine-tune it.

We must encourage our people to restructure their priorities. Many of our young people will see buying a fancy new car as more important than taking out insurance, or even thinking of considering a pension which will benefit them in their old age.

The question was raised: why bring it now after the Pension Bill? The longer we wait, the more expensive it becomes; and the more pain and suffering our people will go through. We must start now.

In closing, I once again thank all Members who contributed, and I appreciate the support of those who did not speak by supporting this Bill. I thank the committee and the members of my staff, my Permanent Secretary, my Senior Assistant who spent many, many long hours on this. I look forward to joining the other Members of this House in developing this Health Insurance Bill into something which can be a model for the Caribbean, as we read in the *Caymanian Compass* that Jamaica is also going this route.

Thank you.

The Speaker: The question is that a Bill entitled, The Health Insurance Bill, 1997, be given a second reading. I shall put the question. Those in favour, please say Aye... Those against, No.

AYES.

The Speaker: The Ayes have it. The Bill has been given a second reading and stands committed to a Committee of the whole House.

AGREED: THE HEALTH INSURANCE BILL, 1997, GIVEN A SECOND READING.

The Speaker: I will now entertain a motion for the adjournment. The Honourable Minister for Education, Aviation and Planning.

ADJOURNMENT

Hon. Truman M. Bodden: I move the adjournment of this Honourable House until 10.00 tomorrow morning.

The Speaker: The question is that this House do now adjourn until 10.00 tomorrow morning. I shall put the question. Those in favour, please say Aye... Those against, No.

AYES.

The Speaker: The Ayes have it.

AT 4.50 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM FRIDAY, 13TH JUNE, 1997.

**EDITED
FRIDAY
13TH JUNE, 1997
10.20 AM**

The Speaker: I will ask the Second Elected Member for Bodden Town to say prayers.

PRAYERS

Miss Heather 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed.

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

APOLOGY

The Speaker: I have an apology for late attendance from the Honourable Minister responsible for Agriculture, Environment, Communications and Works who is on an official tour with His Excellency the Governor.

Questions to Honourable Members/Ministers. The first question is No. 100, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

QUESTION NO. 100

No. 100: Mrs. Julianna O'Connor-Connolly asked the Honourable Third Official Member responsible for Finance and Development to state whether or not there have been any requests to vire the sums allocated in the 1997 Budget for the Public Works Department's Residential Quarters in Little Cayman, to any other project in Cayman Brac.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: The answer to the question is no. We have not received any request of this nature.

The Speaker: Supplementaries? If there are no supplementaries, the next question is No. 101, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 101

No. 101: Mrs. Julianna O'Connor-Connolly asked the Honourable Third Official Member responsible for Finance and Development to state what amount of money issued by way of Contingency Warrants for road work on Cayman Brac and Little Cayman has been released since the 1st day of January 1997 to the 23rd day of May 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: The amount of money issued by way of Contingency Warrant for road works on Cayman Brac and Little Cayman between the 1st day of January and the 23rd day of May, 1997, is \$197,000. This amount covers \$135,500 for capital and \$61,500 for recurrent expenditure.

SUPPLEMENTARIES

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Member expand on what is meant by capital, giving a breakdown for that sum?

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: I will expand the information with some details that I have and I think the Member will then have a better understanding of the amounts as they relate.

As of April 1997, before the release of funds from the 1997 Budget, an amount of \$67,522 was spent from recurrent funds on the Maintenance of Roads; and \$8,639 on Traffic Lines and Signs; and \$271,212 from Capital on Continuing Road Projects. The following amounts were released under General Warrants.

On 3rd January, 1997, a sum of \$97,000 for the Continuation of work on Little Cayman, Guy Banks Road, \$58,200; and Cayman Brac, Southwest Development Road, \$38,800.

On 8th January, 1997, a sum of \$52,500 was released for Maintenance of Roads. This falls under Recurrent Expenditure, and this is not allocated to any specific project. This amount is available for the use under the discretion of the Public Works Department. On 8th January, 1997, \$4500 was released for Traffic Lines and Signs. On the 28th of February, 1997, \$100,000 was released under Capital Expenditure which is for specific projects. Capital mainly deals with infrastructural development. The purpose for which this sum was released was to enable the continuation of work on Little Cayman, the Guy Banks Road for \$75,000, and on Cayman Brac Southwest Development Road for \$25,000.

On 16th May, 1997, a sum of \$55,650 was released under Current Expenditure for Maintenance of Roads, and a sum of \$4,770 was released under Recurrent Revenue for Traffic Lines and Signs.

The amounts released under Contingency Warrants were as follows: 3rd February, 1997, \$13,000 for the continuation of ongoing road projects. The description of the roads is not specified. On 3rd March, 1997, a sum of \$70,000 was released for continuation of ongoing road projects.

On 25th March, 1997, a sum of \$4,500 was released for Traffic Lines and Signs work to be carried out. That was under Recurrent Revenue; \$52,500 was released for continuation of ongoing road projects.

On 1st April, \$52,500 was released for Maintenance of Roads under Recurrent Expenditure; on that same date a further sum of \$4,500 was released for Traffic Lines and Signs works.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: I wonder if I may get a copy of that from the Honourable Member?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: Yes, Mr. Speaker. This information can be made available to the Member.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Member state how much of what he just stated by way of explanation has been spent, if any at all, from the road vote of \$400,000 in the 1997 Budget?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: The information available on what was spent only goes through the end of April. As at the end of April, \$67,522 were spent.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Member say whether the amount spent was contributed to the roads as specified in the 1997 Budget?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: I have to expand upon the answer that I gave earlier. The amount of \$67,522 was spent from recurrent funds on Maintenance of Roads; and \$8,639 on Traffic Lines and Signs; and \$271,212 from Capital on Continuing Road Projects. I will have to consult with the Budget Unit to determine whether the amount spent so far was in accordance with the roads specified in the Budget.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: I wonder if the Honourable Member is in a position to say, if it is found that money from the \$400,000 has been used on roads not specified in the 1997 Budget, that the \$400,000 will still be at my disposal for the roadwork specified therein?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: To the extent that the \$400,000 would fall short, I think it would be necessary for this to be communicated to the Honourable First Official Member with responsibility for Cayman Brac and Little Cayman. It is likely to the extent that any contingency expenditure not included in the overall scope of what was included in the Budget was so absorbed, that supplementary approval would be sought in order to make up that difference.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Perhaps the Honourable Member could explain whether or not the supplementary approval would be to cover the contingency

warrants or the \$400,000 which apparently seems to be a 'paper' sum?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: The supplementary would not necessarily be to cover the contingency warrants. The contingency warrants have been released pending the approval of the Budget itself. To the extent that the amount approved under the contingency warrants would be consistent with the projects as set out in the Estimates, those contingencies would be treated as having been a part of the approval process. The contingency warrants are 'interim approval,' pending the approval of the Budget.

The Speaker: If there are no further supplementaries, the next question is No. 102, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 102

No. 102: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister for Education, Aviation and Planning if there are there any plans to purchase an ice machine for the Cayman Brac High School.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: There are no plans to purchase an ice machine for the Cayman Brac High School at this time. There has been no request for an ice machine received by the Principal, therefore it was not included as a budget item. However, I understand that an ice machine is necessary for the school and I support it to be included under supplementary expenditure in the next Finance Committee meeting.

The Speaker: If there are no supplementaries, the next question is No. 103, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 103

No. 103: Mr. Roy Bodden asked the Honourable First Official Member responsible for Internal and External Affairs what technical courses, if any, are conducted at Northward Prison.

The Speaker: The Honourable First Official Member responsible for Internal and External Affairs.

Hon. James M. Ryan: The following technical courses are conducted at the Northward Prison:

- (1) computer technology
- (2) electronics
- (3) ceramics

- (4) needlework
- (5) woodwork
- (6) tailoring

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member say if the level of these courses is such that will allow prisoners to find employment in these areas upon their release from prison?

The Speaker: The Honourable First Official Member responsible for Internal and External Affairs.

Hon. James M. Ryan: Yes, I believe the technical courses being taught will allow prisoners to find employment in those areas upon release. Of course, it is fair to say that courses can be done at various levels, and jobs can be sought in accordance with qualifications. But the courses will, I believe, enable inmates to find employment after their release.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member state if there has been any attempt to acquaint the public, particularly those people who may be interested in employing these persons, of their availability? Is there is a system at the prison which can help place those inmates who have successfully completed these courses upon their release?

The Speaker: The Honourable First Official Member responsible for Internal and External Affairs.

Hon. James M. Ryan: The prison works closely with the former Department of Labour, and the Honourable Minister Responsible for Community Development, Sports, Women's Affairs, Youth and Culture has a programme in place which all dovetails into assisting inmates upon their release with getting employment in the private sector.

I am not sure how much publicity this has been given, although there has been some. But, I will certainly discuss the matter and see if we can give the whole issue more publicity.

The Speaker: If there are no further supplementaries, the next question is No. 104, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 104

No. 104: Mr. Roy Bodden asked the Honourable First Official Member responsible for Internal and External Affairs how the Prison Officers' Welfare Fund is administered.

The Speaker: The Honourable First Official Member responsible for Internal and External Affairs.

Hon. James M. Ryan: The Prison Staff Welfare Fund is administered by a management committee, as laid down in the Association's Constitution, consisting of a Chairman, a Secretary, a Treasurer, an Assistant Treasurer and two general members who are elected at the Annual General Meeting.

The management committee meets at least once per month and all proceedings are recorded and sent to the President before any decision is implemented. The President is the Director (or in his absence the Deputy Director). All monetary payments must be by cheque bearing two signatures, one of which must be the Treasurer's or the Assistant Treasurer's.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member say if this Fund is subject to a certified audit by a recognised firm of auditors or accountants?

The Speaker: The Honourable First Official Member responsible for Internal and External Affairs.

Hon. James M. Ryan: The Constitution calls for the Fund to be audited by a recognised firm.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member state when the last audit was, and what was the balance of the Fund at the time of the audit?

The Speaker: The Honourable First Official Member responsible for Internal and External Affairs.

Hon. James M. Ryan: The Fund has not, in fact, been audited by a certified firm of auditors. I do have the balance on the account.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: May I enquire as to why the Fund has not been audited by certified auditors, and why is the balance in the Fund unavailable?

The Speaker: The Honourable First Official Member responsible for Internal and External Affairs.

Hon. James M. Ryan: The balance in the Fund at the moment is \$4,107. I am not in a position to say why it has not been audited, but I will certainly undertake to investigate this.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Bearing in mind that a certified audit by a private firm may be rather expensive for such a small amount, has any consideration been given to requesting an audit from the Auditor General or his office during the normal course of auditing Governmental departments?

The Speaker: The Honourable First Official Member responsible for Internal and External Affairs.

Hon. James M. Ryan: I understand that the reason the Member suggests (being the cost) is why a private firm of auditors has not been used. I thank him for his suggestion of using the Auditor General's Department. I will pursue that.

The Speaker: If there are no further supplementaries, that concludes Question Time for this morning. We move now to item 3, Statements by Honourable Members/Ministers of the Government.

The Honourable Minister Responsible for Community Development, Sports, Women's Affairs, Youth and Culture.

STATEMENTS BY HONOURABLE MEMBERS/MINISTERS OF GOVERNMENT

THE DALMAIN EBANKS CIVIC CENTRE

Hon. W. McKeever Bush: For the information and clarification of Honourable Members and the public, I wish to provide an update on the Dalmain Ebanks Civic Centre. I do so because some rumours seem to be going around about the project and I have to wonder where they are coming from, and whether those people who say they are committed to seeing the project completed are really so; and whether, indeed, the rumour-mongering and misinformation is not coming from within.

For many years, the community of West Bay has relied heavily on the Town Hall to host many of its civic functions. This facility has served as: A meeting place for various youth, church and community groups, as well as sporting club meetings and practices; MLAs' offices and political meetings, Pirate's Week activities; school and community concerts and also as a hurricane shelter. However, the time has come when this facility can no longer fulfill all of the needs of the West Bay District.

In 1996, money was allocated to convert the Town Halls in West Bay, North Side, East End and Bodden Town into Libraries. The East End and North Side Town Hall conversions were started in 1996, and should be completed in July of this year. However, West Bay and Bodden Town Town Halls could not be converted to District Libraries as they are still considered very crucial hurricane shelters. This made it a necessity to provide a multi-purpose building for West Bay, as the Bodden Town

Civic Centre could serve as an additional hurricane shelter for that district.

Funds were provided in the 1996 Budget for the West Bay Civic Centre, but, unfortunately, we were unable to get this project started in 1996. Therefore the funds were lost. I have to wonder about that also.

This Civic Centre, when it is finished, will serve many needs of the West Bay Community and, indeed, those of the people of these islands. Among the functions is the important role of a hurricane shelter. This Civic Centre will be built to meet or exceed the specifications of the Cayman Islands Building Code, which will allow it to withstand hurricane force winds. It is proposed that this structure will be able to house between 360-400 people in the event of a hurricane or any natural disaster.

It should be clarified here that this facility is not a "sports centre," even though it can be used for indoor sports (as most Civic Centres can) such as: table tennis, boxing, volleyball, badminton, netball and basketball. In addition to serving as a hurricane shelter and a venue for indoor sporting events, this facility will also be capable of seating some 1,000 people on the main floor for staged productions such as plays, concerts and choral performances.

The Dalmain Ebanks Civic Centre will be used for various public and private functions for the benefit of the people of these Islands and, in particular, the residents of West Bay. When one considers that the current population of West Bay is approximately 7,770, and that the growth rate is around 5%, it is not difficult to understand why a Town Hall which was built around 1939, and is severely space and acoustically deficient, needs to be functionally replaced.

I look forward with anxious anticipation to the completion of this purpose built multi-functional facility, and to the conversion of the Town Hall into a long overdue District Library. I trust that after this explanation that those persons, whether they be from Public Works, the Glass House or within the National Team, will stop spreading the rumours that this is a sports centre. It is a Civic Centre, and a hurricane shelter—and it will be built!

SHORT QUESTIONS (Standing Order 30(2))

Mr. John D. Jefferson, Jr.: Mr. Speaker, I wonder if, in accordance with Standing Order 30(2), I may be allowed to ask the Honourable Minister a few questions?

The Speaker: Yes, please continue.

Mr. John D. Jefferson, Jr.: I wonder if the Honourable Minister would give us an update as to where we are in regard to the project, as far as Planning approval and the award of the contract, etcetera?

The Speaker: The Honourable Minister Responsible for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: As I understand, it has passed all of the Planning stages and is now out for contract. Hopefully it will be started in the very near future. That is, if it is not sabotaged again.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr.: Can the Honourable Minister say, once the contract has been awarded, how long we will have to wait before the project is completed?

The Speaker: The Honourable Minister Responsible for Community Development, Sports, Women's Affairs, Youth and Culture.

Hon. W. McKeeva Bush: The project is scheduled to be completed in 18 months, once started. I repeat, that is if I am not sabotaged, because it seems that anything the Ministry of Community Development, Sports, Women's Affairs, Youth and Culture does today, is not supposed to get done. But, it is an 18 month period.

The Speaker: No further questions? The next item is Government Business, Bills, Second Reading.

GOVERNMENT BUSINESS

BILLS

SECOND READINGS

THE MISUSE OF DRUGS (INTERNATIONAL CO-OPERATION) BILL, 1997

Clerk: The Misuse of Drugs (International Co-operation) Bill, 1997.

The Speaker: The Honourable Second Official Member.

Hon. Richard H. Coles: I beg to move the second reading of a Bill entitled, A Bill for a Law to give Effect to Those Provisions of the 1988 United Nations Convention Against Illicit Traffic and Narcotic Drugs and Psychotropic Substances Respecting Mutual Legal Assistance Between Parties in Criminal Matters Specified in Article 3 Of the Convention and for Connected Purposes.

The Speaker: The question is that a Bill entitled, The Misuse of Drugs (International Co-operation) Bill, 1997, be given a second reading. The Honourable Second Official Member.

Hon. Richard H. Coles: The 1988 United Nations Convention, which I have just referred to in the long title to this Bill (which is somewhat of a mouthful, and I do not intend to keep referring to it in that long way throughout my presentation this morning), is universally known as the UN Vienna Convention, because it was a convention signed in Vienna, Austria.

It is probably the most significant drugs convention in the world, and the UN has given the lead in counter-drug conventions and in anti-drug measures.

This convention, as Members can see from its date, was initially signed in 1988. It was extended to Cayman on 8th February, 1995. However, I should reassure the House that although it was only formally extended to Cayman in February 1995, the Cayman Islands had been complying with its recommendations and directives since the convention first came into being.

Article 3 is mentioned in the long title of the Bill, and I think it behoves Members to look at Article 3 for the sake of ease, really, and to use a phrase 'user friendliness,' the full text of the Vienna Convention can be found at the back of this Bill which is why the Bill appears at first sight to be somewhat lengthy. In fact, the convention is considerably longer than the Bill itself. But I felt it helpful to have it as part of the Bill because it is generally good legislative practice to try and avoid people having to look in different places in order to discover what a piece of legislation means. So, you will find the convention at the back of the Bill.

Article 3 sets out the offences which the convention is designed to cover. It sets out those acts which require signatories to the convention to make offences in order to comply with the convention. I am pleased to tell you, Mr. Speaker, that the Cayman Islands has criminalised all of those offences and has done so for many years.

There are, in essence, all drug offences (this is a drugs convention), and they relate to the possession, the distribution and trafficking in drugs, and also the laundering of drugs proceeds. All of those are criminalised in our Misuse of Drugs legislation.

The other Article that Members would do well to look at is Article 7 of the convention. That is the Article we are essentially dealing with today, because it deals with Mutual Legal Assistance. We call it in this Bill "International Co-operation," the same thing by another name. It sets out exactly what Mutual Legal Assistance is required to be given, in what circumstances, and by whom. Cayman has recognised that although we have been giving assistance when requested, nevertheless, we need a specific piece of legislation in place so that we comply fully and completely with the convention.

I might also mention (as I am sure Members are already aware) that Cayman was the subject of a Mutual Evaluation Report by the Caribbean Financial Action Task Force. Coincidentally, in February 1995, just shortly after the Vienna Convention was extended to Cayman, and not unnaturally, one of the questions that was asked by that team conducting the evaluation was the question of Mutual Legal Assistance under the convention. In fact in paragraph 81 of that report (and it is only a two line paragraph so, if I may, I will read it verbatim) it says: "**It is expected that procedures for assistance will also be put in place to implement the 1988 Vienna Convention ratified by the United Kingdom which was recently extended to the Cayman Islands.**" So Members will see that the legislation before them today was contemplated by the CFATF (the Caribbean Financial

Action Task Force) back in February 1995. I dare say that Members do not need reminding of the significant contribution Cayman makes to that Task Force, and the fact that the Honourable Judge Smellie, QC, takes a very active and leading role in that Task Force.

There was a previous Bill before the House during the last Meeting, which was essentially the same Bill. But at that time it was entitled, The Mutual Legal Assistance (1988 UN Vienna Convention) Bill. It was felt that that title might give some confusion with our very well-known Mutual Legal Assistance (United States) Law, which implements the Mutual Legal Assistance Treaty between the United Kingdom and the United States. So, it was decided to try and come up with another title which would not cause confusion.

I thought that it would fit in well if we linked it with our other Misuse of Drugs legislation and we chose the phrase "International Co-operation," which is Mutual Legal Assistance by another name. But I think it links it in well with our other drugs legislation, and makes it clear that it is there to deal with drugs and drug trafficking only.

The previous Bill was withdrawn by (I was going to say myself, but I was absent from the House on official business at that time) the Acting Attorney General. It was withdrawn to allow further consultation to take place on the terms of the Bill. This has taken place with the private sector and others. Those concerns have been taken into account in preparation of the Bill before you now.

Perhaps I can just mention the sort of consultation that has taken place because I understand the feeling that it was unfortunate that the Bill had not been gazetted before coming before you today. I do not know why that has not happened, but, nevertheless, it is unfortunate. Perhaps when I explain the sort of consultation that has taken place, Members will feel reassured that those who wish to make a contribution to this Bill will have ample opportunity to do so.

It first came before the Government's Private Sector Consultative Committee back in February of this year. It has been considered by them on a number of occasions. The Green Bill under its previous title was published and gazetted in April of this year. The present Bill before you now has been subject to further consultation, was also circulated to all Members of the Government's Private Sector Consultative Committee on 5th May. It then came to the House and was circulated to Members on the 21st of May, complying with the 21 day notice set out in the Standing Orders. The Press was aware of that because they telephoned me about it and had a copy of it. So, I hope that Members will feel reassured that anybody who wished to see the Bill and consider it, has had ample time to do so.

There have been some changes to the Bill, but not many changes of real significance. I am not going to go through each one, because some are extremely minor, but I will mention the ones that I consider significant. If those who are debating the Bill later wish to raise different areas, I will deal with them in my winding up.

I can turn Members to page 8 of the Bill, Clause 6. The change that has been made there (and those of you

who have the previous Bill will readily see the change), is that under the previous draft the jurisdiction that is requesting assistance, requests it for a specific purpose. Sometimes it may be necessary, and they may wish to use it for another purpose. The Law makes it clear that they are only entitled to do this with prior written consent. They are not entitled to use it for any other purpose than that for which it was requested without prior written consent. The previous Bill made provision for that consent to be given by the Central Authority in writing, and the new Bill adds a further safeguard which is subclause (2), which says: "**Before the Authority gives consent** [if it is considering giving that consent] **under subsection (1) it shall apply to the court** [that is, the Grand Court] **which ordered the production of the information or evidence for directions.**" So, there are two safeguards, the Central Authority and the Court itself, if, indeed, the Central Authority thought it appropriate to allow it to be used for the other purpose.

The next Clause I would like to draw your attention to is Clause 10, on page 9. What we have done here is where the request for assistance is that evidence be taken, someone is asked to testify and give evidence. Previously it was the Authority that gave a certificate and, if necessary, a subpoena was issued by the Grand Court (a subpoena being a document that requires someone to come before the Court). In the new Bill we have stated that in those circumstances the Central Authority would make application to the Court for the Court itself to receive the testimony. In other words, Counsel would go along to the Grand Court, make an application to the Judge and, assuming the Court granted that application, the Court would call that person before it to give evidence and testimony as requested. The Court would be able, if it wished, to issue a subpoena and take the evidence on oath.

We have also put in a safeguard which is, I suppose, the most significant benefit of this new clause, which is subclause (4). That says, "**A person shall not be compelled in any proceedings under this section to give evidence which he could not be compelled to give in criminal proceedings in the Islands.**" That effectively says that nobody has to incriminate themselves. So, if the evidence they are being requested to give could in any way incriminate them, they are entitled to say to the Court, "*I decline to give this evidence on the grounds that it might incriminate me.*" Of course, that is always a reason for not having to give evidence. It is one of the fundamental principles of justice in these islands—no self-incrimination. That is an important change which can be readily understood.

The final one that I wish to bring to your attention is on page 15, Clause 21, where one of the offences has now been deleted. If you have access to the previous Bill you will see that only the old Clause 1 remains and the previous Clause 2 has been withdrawn. That was the Clause that made it an offence to attend the Court to give evidence. You may recall that is what I said a subpoena is—it requires you to go to Court to give evidence. The previous Bill made it a criminal offence if a person re-

fused to do that. The reason that offence has been withdrawn is not because there will not be any penalty if someone refuses to comply with the subpoena, but it is not necessary to put a specific penalty in any more. As I explained, the Court will be granting the subpoena, the Court has an inherent power to enforce its own orders. So, if a subpoena issued by the Grand Court is not complied with, it is contempt of Court, and the Court has ample power to deal with it. In fact, it has more powers than we would be giving it under this Law. So, we do not need it, and it has come out.

There are other alterations, but I think it is easier if I deal with those (if there are any) that may cause Members' concern. I would also like to mention the legislation under which assistance has been granted up to now, because I did say that we have been able to give some assistance, and have done so.

At the present time we do so through a Privy Council order called the Evidence Proceedings in Other Jurisdictions (Cayman Islands) Order, 1978. That is an order that is nearly 20 years old. It is a Privy Council Order from England that was extended to the Cayman Islands back in 1978. It has been used many times, and I am sure will be used in the future, but not for these purposes as soon as this Bill is passed by the House today.

Its deficiency is that it does not cover the investigative stage of an enquiry—a drugs enquiry in this case. It is only available once a prosecution has actually commenced. At the very earliest, it is only available once a person has been charged with an offence. If you look at Article 7 of the Convention, you will see that that is not good enough, because we have to give assistance at both the investigative stage and at the prosecutory stage. In fact, in paragraph 1 of that Article, it says, "**The Parties shall afford one another, pursuant to this article, the widest measure of mutual legal assistance in investigations, prosecutions and judicial proceedings...**" and then it goes on to define the offences and so on.

So, it is necessary for us to have this legislation so that we can give that assistance at the investigative stage, and there are many safeguards built into the Bill, a lot of which are taken verbatim out of the Convention. After all, it is the Convention which this Bill is seeking to implement.

It might be helpful if Members turned to the Memorandum of Objects and Reasons, which is set out on pages 3 and 4 of the Bill. I have no intention of reading this all out, because Members are capable of reading this for themselves (and I hope they have done so), but you can see in the third paragraph that it sets out the purposes for which a request can be made; taking evidence; searches; production of documents, and so on; immobilising criminally obtained assets; assisting in proceedings relating to forfeiture and restitution. It also sets out what a request shall contain. I have to say that this is not the Law itself, and is no substitute for looking at what the Law says, but it does give an overview of the purpose of the Bill and, for someone to get a feel of what the Bill is trying to do, it is useful to read this Memorandum of Objects

and Reasons.

It sets out what the requests shall contain in detail, and then it also sets out (on page 4) a further number of requirements that are necessary in the request. I must say that some of these come from the Convention itself, Article 7, but we have chosen to go further because we have the benefit of experience in implementing the Mutual Legal Assistance Treaty with the United States, and we felt that it was prudent for us to include some further requirements so that we have the greatest clarity possible of what the requesting jurisdiction was seeking before we had to deal with it.

There is good reason for this. If the request contains all of this information when it first comes through to the Authority, there is every chance that the Authority can make a decision as to whether to go ahead or not. Whereas, if the information given is sketchy and does not include all of these things, then, regrettably, it is more than likely that there will be a letter going back to that jurisdiction requesting further information or clarification. Of course, this leads to delay—sometimes considerable delay—which is undesirable from anybody's point of view. These were included to try to avoid that.

The other area I would just like to mention is the Central Authority itself. Not a great deal has changed on that since the original Bill. The Central Authority under the UN Vienna Convention is the Attorney General. I am sure that all of you will spot the difference between that and the Mutual Legal Assistance Treaty with the US, where the Central Authority there is the Honourable Chief Justice. He has, in fact, delegated that to Judge Smellie.

The reason is twofold: first of all, because the function performed by the Central Authority under this legislation is entirely different from that performed by the Central Authority under the US Mutual Legal Assistance Treaty (MLAT). In that legislation, a judge is the Central Authority, although he is not acting in a judicial capacity. It is not an easy thing for someone who is not a lawyer to understand how, a judge can be a judge and not act in a judicial capacity. But it is possible, and that is how it is dealt with. Nevertheless, he does exercise a number of judicial functions.

In this legislation the Central Authority does not act in any judicial capacity at all. The function of the Central Authority here is entirely an executive and administrative function. It is true that the Central Authority is another tier, or safeguard so that in addition to going to the courts the Central Authority also has input. For example, when a request comes through to my office, I would review it first. If I do not consider that it complies with the requirements of the Bill (some of which I have just covered), then it gets no further. It is only if I agree that it does comply would an application be made to the Grand Court. Nothing can happen—no assistance can be given without an application being made to the Grand Court. And all the assistance is then given by the Grand Court judge. That is the accepted way nowadays that international cooperation is dealt with. It keeps the administrative function away from the judiciary. It is far easier to deal with in an office environment, which I obviously have, rather than

within the Courts. But it leaves the judicial decision-making where it should properly be—with the Grand Court judge.

That is the real reason. Quite simply, the other reason is because that is the way that every other jurisdiction now administers Central Authorities. Cayman is unique in having the Chief Justice as a Central Authority. There is no other jurisdiction that has that. It works well for Cayman. This was one of the first jurisdictions to enact that legislation. At that time it was a perfectly logical and reasonable thing to do, but now it is accepted that a Central Authority is either the Attorney General, or in some countries it is the Minister of Justice. In England it is the Secretary of State for the Home Office. It matters not, really, because it is an executive/administrative function.

All of the orders are made by a Grand Court Judge, and if we turn to the Bill, Clause 10 will tell us what some of those orders are. We have already discussed that Clause 10 is one of the clauses which has been altered in this new Bill. We have already discussed that any testimony to be given has to be ordered by the Court. (throughout this Bill when it says "Court", it means the Grand Court), and they actually take the testimony in the Court. So, that is the giving of evidence.

Clause 11 is what we call "production orders." That is when particular documents have to be produced or are requested to be produced. Again, an application has to be made to the Grand Court. In practice, that would be one of the Crown Counsel on my behalf making an application, or it could be a police constable empowered under the Misuse of Drugs Law for an order to produce that material. The Grand Court can either grant or refuse that application. The material is then ordered to be produced. It sets out the procedure which has to be followed and the safeguards in that procedure.

Clause 12 is search warrants. Same, again, if I had been requested that we undertake a search of premises, then an application is made to the Grand Court and the Grand Court judge decides whether or not a search warrant will be granted. It sets out here what has to be dealt with in that application. Obviously, the Grand Court judge has to be satisfied that there I, or the Crown Counsel, have met the grounds required before he will grant the search warrant.

Those are the orders that can be made under this Bill. The final thing I would like to mention is that Members had notice on their desks this morning of two Committee stage amendments that I intend to move if the Chairman grants me permission to do so. I appreciate that this has only been put on Members' desks this morning. These amendments are brought at the request of members of the private sector who asked if we would consider making these amendments. I was happy to do so.

The first amendment is to Clause 2(2) of the Bill. As amended, this Clause will read, "**In this Law references to an offence to which this Law applies are references to such of the offences specified in Article 3(1) as are offences of the same or a similar nature under**

the Laws of the Islands.” It was felt that this would clarify that particular Clause. I am happy that the meaning is exactly the same, it does not detract from it in any way, and if that helps to clarify the meaning, then I am more than prepared to include that amendment. That is why I have done so.

The second amendment is in Clause 3, which sets out the purposes for which assistance can be requested. You will see that in the final sub-paragraph (i) the amendment would delete the reference to collection of fines. Members may have already spotted that when I was going through the Memorandum of Objects and Reasons, I did not refer to fines when I talked about the requests that could be made. The reason that has come out is because this Bill is to give effect to the Vienna Convention, and that does not refer to the collection of fines. There is no provision in there for that. I included it originally because it is in the US MLAT, we are allowed to deal with fines for the US. But I accept that it is not included in the Vienna convention. I do not think that it detracts in any way from our ability to cooperate and assist. So, I accepted the point that it was not in the Convention and that we should not include it in here, and I deleted it.

Those are the only two amendments. I do not really think there is anything else that I need to address at this stage other than the fact that if Members wish to raise anything that I have not, then I will do my best to deal with it in the winding up. I would just say that this Bill will ensure that the Cayman Islands continues to fully comply with the terms of the UN Vienna Convention, and with the recommendations of the Caribbean Financial Action Task Force. I therefore commend the Bill to this House.

The Speaker: Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 11.34 PM

PROCEEDINGS RESUMED AT 12.05 PM

The Speaker: Please be seated.

Debate continues on the second reading of, The Misuse of Drugs (International Co-operation) Bill, 1997. The Third Elected Member for George Town.

Mr. Linford A. Pierson: I rise to make my contribution to A Bill For Law To Give Effect To Those Provisions Of The 1988 United Nations Convention Against Illicit Traffic In Narcotic Drugs and Psychotropic Substances Respecting Mutual Legal Assistance Between Parties in the Criminal Matters Specified in Article 3 of the Convention and for Connected Purposes. The Honourable Mover of this Bill went into the details of Article 3.

As stated in the Memorandum of Objects and Reasons, **“This Bill seeks to give effect to those provisions of the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic substances [which basically means the mind-altering kind of drugs] deal with mutual legal assistance in criminal matters specified in Article 3 of the Convention.”**

The Mover of the Bill quite wisely decided in his presentation to refer to the shortened form of this Bill as the Vienna Convention. I believe I will adopt this same procedure.

The Memorandum of Objects and Reasons also states (even though the Mover felt it unnecessary to read this, I think that it is important enough to be read so that the listening public has a better understanding of why this Misuse of Drugs (International Co-operation) Bill is being brought before this House.): **“It provides for the establishment of the Central Authority which shall be responsible for responding to and acting upon requests for legal assistance from those Parties who had ratified the Convention.”** The Memorandum of Objects and Reasons gives a detail of the Mutual Legal Assistance expected. It states: **“Mutual legal assistance in criminal matters specified in Article 3 (1) of the Convention may be requested for any of the following purposes-**

- (a) taking evidence or statements from persons;
- (b) effecting service of judicial documents;
- (c) executing searches and seizures;
- (d) examining objects and sites;
- (e) providing information and items of evidence;
- (f) providing originals or certified copies of relevant documents and records, including bank, financial, corporate or business records;
- (g) identifying or tracing proceeds, property, instruments or such other things for the purposes of evidence;”

In his wisdom, the Honourable Second Official Member (the Mover of this Bill) has added to the requirements of Article 3(1) of the Vienna Convention. I think the reasons are better known to him and the Committee that dealt with this, but it did not seem necessary in the wisdom of the architects of the Vienna Convention that (h) and (i) should be included. However, we here in the Cayman Islands saw it necessary, notwithstanding the protections under the Misuse of Drugs Law and the Proceeds of Criminal Conduct Law which already address these problems. These two items which were added to the Vienna Convention’s requirements are: **“(h) immobilising criminally obtained assets; and (i) assisting in proceedings related to forfeiture, restitution and collection of fines.”**

The Mover of the Bill has indicated that a Committee stage amendment will be brought to delete the collection of fines. I have to question why that was added in the first place, and how much thought was given to the effect that such an addition could make on the time of the Court’s office.

Before moving on in my presentation, I would like to refer to a report made in the *Caymanian Compass* on 3rd June, 1997 about the introduction of this legislation. In that report it suggested that the private sector (specifically meaning the Private Sector Consultative Committee) had asked for a few little changes for emphasis and

clarification which had been agreed. The implication in that statement was that the Private Sector Consultative Committee supported the legislation. I believe that is the understanding the public got from that statement. I have been reliably informed that this is not the case; that the Private Sector Consultative Committee does not support this legislation and that they were misquoted.

It is also my understanding that the objections raised by the Private Sector Consultative Committee, were not little things, but fundamental issues of principle. Further, I am also reliably informed that the Law Society does not approve this legislation in its current form. So, when we heard the Mover of this Bill say that the matters queried had been looked into, we need to analyse that against this information I just revealed.

There are 34 articles contained in the 1988 UN Convention (Vienna Convention) which was adopted by the United Nations in December 1988. These articles form an integral part of this Bill. The specific areas of mutual assistance in criminal matters which involves the Cayman Islands, as referred to in Article 1 of the Convention, are more specifically detailed (as mentioned by the Mover of this Bill) in Article 7 which is found on page 33. This very important article is central to this whole Bill.

I have already touched on the major areas of this Article and what mutual legal assistance is required under the Vienna Convention. But I would like to stress that the Vienna Convention in Article 7, paragraph 2, only requires assistance in (a) through (g), but (h) and (i) as I mentioned earlier is an inclusion by the Mover of this Bill and his Committee.

This Article 7 outlines the scope of legal assistance considered necessary by the architects of the Vienna Convention. Perhaps the Honourable Second Official Member (Mover of this Bill), can give this Honourable House a more reasoned and detailed explanation as to why it was found necessary to add the two additional clauses, especially with this provisions being made in the Misuse of Drugs Law and the Proceeds of Criminal Conduct Law, to deal with subsections (h) and (i). It is obvious that the additions, section 3(h) and (i), excluding the section dealing with the collection of fines, goes far beyond what is required by the basic scope of the Vienna Convention. In my opinion, this is unnecessary.

As stated earlier, restraint orders and confiscation orders are appropriately dealt with under other relevant Laws. For example, what mechanism is now proposed for the collection of fines (which, in his wisdom the Mover, saw necessary to delete)? I wonder if he would comment further in his winding up as to the basic reason for this in the first place. It has caused much controversy, not only among Members of this House, but in the Private Sector Consultative Committee. As I understand it, this would have been the first time the Grand Court would have become involved in the collection of fines for other Courts. Yet, the Honourable Mover of this Bill, who also introduced the Committee stage amendments, referred to it as a fairly simple matter; when, in fact, it is a major issue under this Bill.

Successive Governments developed the financial

industry in these islands which, today, is the envy of the whole world. We have become so sophisticated that we are now the 5th largest financial centre in the world. What took many years to build can disappear overnight with the introduction of legislation which could have a destabilising effect on the financial industry of these islands. Legitimate investors must be made to feel that their investments are secured, and that they are not unnecessarily harassed. It is our responsibility as legislators and representatives of our people to ensure that we protect this legacy which has been entrusted to our care. It is with this realisation in mind that this, or any other similar legislation should be dealt with in this House.

I am nonetheless pleased to note that the Mover of the Bill has incorporated a number of the recommendations made by the Private Sector Consultative Committee, and some of the concerns raised by Members of this Honourable House. But, in my opinion, more needs to be done. I do not believe that the present draft is a major improvement on the previous draft. It is also worthy to note that these islands have demonstrated to the world, through the enactment of appropriate legislation, such as the Misuse of Drugs Law and the Proceeds of Criminal Conduct Law, and the signing of the Mutual Legal Assistance Treaty with the United States back in 1986, that we will not tolerate the illicit trade of narcotics, drugs or psychotropic substances in these islands, or any matters related to such offences.

We should therefore not allow any foreign influence, however well meaning, including the United Kingdom, to pressure us into adopting conventions or treaties without first giving them very careful scrutiny. When the Mover of this Bill, and those who support it, have departed these shores, we will still have to work and deal with the effects of these Bills. That is no negative reflection on the Mover, for whom I have a great deal of respect. But, what I am doing here today is what I was elected by the people to do, that is, to provide the best possible representation that I can. We must consider what is in the best interest of these three islands.

I am pleased to note the improvements in this Bill. However, there are still a few areas which give me major concern. In terms of public perception and, indeed, within our own Constitution there is (and really should be) a distinction in the separation of administrative powers and those of the judiciary. Accordingly, I do not feel it is appropriate that the Attorney General should be named as the Central Authority under section 4 of this Bill. That reasoning is based on the following: It is felt by many (including myself) that the role of Attorney General (and I am separating this from the position of Honourable Second Official Member) is a quasi-political role, at best, and can possibly be influenced by the political directorate of these islands. That is a very important point when we consider why, under the Mutual Legal Assistance Treaty 1986 Law, that the Chief Justice was named as the Central Authority, and not the Attorney General. It was mainly based on that particular issue—that the position of Attorney General is a quasi-political one and, as such, can be influenced by the political directorate of the country.

On the other hand, the role of the Chief Justice, or a Judge of the Grand Court, is an independent position. It is therefore against this background that I question the wisdom of making the Attorney General the Central Authority, notwithstanding provisions in the Bill to ensure that requests must be made through the Grand Court in most cases by the Central Authority.

I would like to clarify that in this context within the Bill, the Attorney General is named as the Central Authority.

Some may say that political interference is an unwarranted concern. But it is central to the whole issue under section 4 of this Bill in naming who will be the Central Authority. As a matter of fact, similar concerns were raised in the case of Sherman, cause 56 of 1996, when the Chief Justice stated (and I quote), **“It smacks of political interference with the Courts.”** He thus refused the application made on behalf of the Solicitor General. Also, under the MLAT with the United States it was considered appropriate to name the Chief Justice as the Central Authority for the Cayman Islands.

A similar provision to section 5 of the MLAT with the United States 1986 Law is also absent from the Bill before us. This particular section of the MLAT USA Law 1986 provided for the Attorney General to be free to make representation to the Central Authority on questions of public policy relating to the Cayman Islands. This has been very conspicuously absent from this Bill; the reasoning being that it would make a mockery of this Bill because the Attorney General is the Central Authority and would, if that section was brought in, become judge and jury. In the Bill before us, the Attorney General is both the agent of the requesting country and guardian of the Cayman public policy, and, effectively, both judge and jury. This would seem to be a most unsatisfactory position.

I now wish to move to section 18 of the Bill which deals with confidentiality in regard to a request. Although in many respects section 18 is analogous to section 13 of the sister legislation, namely, the Mutual Legal Assistance (USA) Law, 1986, there is a significant difference in that confidentiality is preserved under the MLAT (USA) Law, 1986. This does not seem to be the case under this Bill. This observation is of significant importance when one considers the diversity and background of the individual countries which are parties to the United Nations Convention (the Vienna Convention), as opposed to saying the bilateral agreement which was entered into with the United States of America under the MLAT (USA) Law, 1986.

Also of major concern is the implementation of the Law. Will the Law be strictly adhered to, or should we now obtain the assurance from the Foreign and Commonwealth Office that parties to the convention will not seek to obtain information on their nationals, which information is, strictly speaking, not an offence under any of our Laws? I am speaking specifically about information on taxes, what is commonly referred to as “fishing expeditions” from any of these countries. We have seen extradition orders being made by some of these foreign

countries, so this is a valid concern.

As regards section 24 of the Bill, which lists the parties to whom mutual legal assistance may be given by the Central Authority, much care should be exercised when complying with requests from those countries known to be abusers of human rights. Such requests should be carefully scrutinised. Examples of such countries are: China, Cuba, Iran, Afghanistan and others, where the practice of human rights abuse is prevalent.

As I stated in my opening remarks, this is a very important piece of legislation, and I do not wish for anyone to get the impression that I oppose any measures designed to protect these islands from the illicit trade of narcotics. That is not the case, otherwise I would not have been one of the key persons behind the support of the Mutual Legal Assistance (USA) Law, in 1986. My major concern is that in all of our efforts to cooperate that we continue to have the interest of these islands uppermost in our minds.

In closing, I reiterate my concerns on those questions I have raised, and say that there is still, in my opinion, much scope for improvement in this Bill. While I feel that the Bill is a move in the right direction, as its underlying principle is to offer cooperation to member countries of the United Nations in our fight against the misuse of drugs, I nonetheless feel that the concerns I have raised are too significant to give my support to this Bill in its present form.

I therefore trust that the Mover of the Bill will undertake to make certain necessary Committee stage amendments that will meet with my satisfaction.

The Speaker: Proceedings are suspended until 2.15 PM.

PROCEEDINGS SUSPENDED AT 12.42 PM

PROCEEDINGS RESUMED AT 2.27 PM

The Speaker: Please be seated. Debate continues. The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: I rise to make my comments in respect of the Misuse of Drugs (International Co-operation) Bill, 1997. It is my intention to deal briefly with the different sections of the Bill giving rise to my genuine concern.

First, section 43(8) of the Misuse of Drugs Law (Revised) states that an order under subsection (2) (that is a production order) contains a provision for an order to be made in relation to material in the possession of the Government. As far as I can ascertain, the Misuse of Drugs (International Co-operation) Bill has followed section 48(8) of the Misuse of Drugs Law (Revised) verbatim, except for this provision relating to material in possession of the Government which has, for whatever reason, been deleted. The Honourable Second Official Member may wish to address these concerns as he sums up in relation to the proposed Law.

Moving on to section 11(9), it is an offence for a per-

son who makes a disclosure “. . . **knowing or suspecting that a request has been made, or that an investigation into any matter to which a request is made is taking place, . . .**” One will note that throughout the entire Bill, the term “request” is utilised. The word “investigation” only appears to be introduced in section 11(9). The significance of this is that section 11(9) an offence is committed in respect of both a request and an investigation. If a person, knowing or suspecting that a request or investigation is made, makes a disclosure “**which is likely to prejudice the request or the investigation. . .**” commits a statutory offence and on conviction there is a fine and mandatory imprisonment up to five years.

The Bill then proceeds to set up a defence in section 11(10). This reads as follows: “**In proceedings against a person for an offence under this section, it is a defence to prove (a) that he did not know or believe that the disclosure was likely to prejudice the investigation. . .**” no provision is made for the defence of such a person not knowing or believing that the disclosure was likely to prejudice a request. Again, I seek clarification from the Honourable Second Official Member. Perhaps he can explain whether or not it was a scrivener’s error, or intentionally drafted. If the latter was the reason, it would assist me in making my final decision whether or not to support this proposed legislation.

With regard to section 11, “**Where, pursuant to a request, the Authority considers it necessary to obtain material from any person he shall direct a constable to apply to the Grand Court for** [a production order].” By contrast, section 43 (1) of the Misuse of Drugs Law which has been tried for a number of years, refers not just merely to material, but to the particular material, or material of a particular description. Does this mean that the Authority can make the order, subject to all material, save that which was considered legal, privileged material? Moreover, why was it deemed necessary to deviate from the terminology as set out in section 43(1) of the Misuse of Drugs Law, especially when most of the proposed Law, loosely speaking, can be said to be the shadow of the Misuse of Drugs Law?

With regard to the offences this Law relates to, does it include as an offence that of storing, consuming, administering a narcotic drug, or any psychotropic substance, contrary to the 1961 Convention as amended by the 1991 Convention? Further, is the offence for issuing a prescription without being authorised included in this article 3(1)? If not, why has it been excluded? Article 3 (4) (a), (b), and (c) makes provisions for our domestic Law (which, in this case, is our Cayman Islands Law) to provide for, in addition to some minor cases, alternatives, if and when a conviction or punishment measures deemed necessary. Alternatives suggested in the article are as follows: Treatment, education, aftercare, rehabilitation, or social integration of offender. I was unable to find any such provisions in this Bill, and it is my respectful view that if this Bill is passed, that such a provision should be contained therein.

Although I adhere to the theory that prevention is better than cure, I believe that sentences must have a

deterrent effect. Let me also hasten to say that rehabilitation is just as significant in this war against narcotic drugs and psychotropic substances. I would also seek clarification from the Honourable Member as to whether this Bill makes a statute of limitations period to commence for proceedings which would fall within the ambit of this Bill. If there is a statutory limitation period, will it be a two-tiered period whereby those persons who intentionally succeeded in evading the administration of justice would attract the tougher penalty.

With respect to section 14(3) which makes provisions for notification in writing, does it incorporate the Postal Rule? If so, has it taken into consideration modern-day technology, that of a Fax? If it does consider these two elements, is a three day period deemed sufficient, or should it be specifically stated to accommodate the modern technology?

I also note that the proposed Bill does include protection for persons disclosing confidential information which would normally be a breach of our Confidentiality Law. I submit that if the Bill before us this afternoon is passed, there must be statutory protection for persons finding themselves in such circumstances.

There does not appear, from my scrutinisation of the Bill, to be a provision containing a general penalty. Perhaps the Honourable Member may wish to intimate whether or not such general penalty is necessary.

My other area of concern is that the parties to whom this Law will relate to practically includes the entire world. It is my humble opinion that if passed, it would fall into the category of a new world order, which I cannot adhere to. I take note that section 24 of the Bill says that the Governor in Council has the power to amend Schedule I. I wish clarification on whether this power will be extended merely to the addition of new countries, or whether this power can also delete some of the countries now included therein.

I get the distinct feeling (rightly or wrongly so) that this piece of legislation, if not carefully scrutinised and analysed, can be another step toward eradicating tax havens such as the Cayman Islands. However, out of an abundance of caution, let me hasten to make it real clear that I support measures which can assist in the detection, prevention and punishment of drug offences. But I do not agree that any of these efforts should be used as a ‘fishing expedition.’

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

(2.39 PM)

Hon. Anthony Eden: I rise to offer my contribution on the Misuse of Drugs (International Co-operation) Bill, 1997.

This type of legislation has been enacted in at least 150 other countries throughout the world. My feeling in regard to this situation, as the Minister for Drug Abuse, is that the overall pressing concern here is the dealings in narcotic drugs and psychotropic substances. I feel that

whatever we need to do to tighten this up, must be done at any cost.

Clause 8 of the Bill indicates that **“The Authority may refuse to comply with a request- (b) if the request does not establish that there are reasonable grounds for believing- (i) that the criminal offence specified in the request has been committed; and (ii) that the information sought relates to the offence and is located in the Islands.”** If the application is made and it does not deal with drugs, that should be the end of the case.

Most people have dealt with the first part of the Bill, but for the benefit of the listening public, I will go back and refer to the preamble and background of the Vienna Convention adopted on 19th December, 1988 by so many of these countries. It states: **“Deeply concerned by the magnitude of and rising trend in the illicit production of, demand for and traffic in narcotic drugs and psychotropic substances, which pose a serious threat to the health and welfare of human beings and adversely affect the economic, cultural and political foundations of society,**

“Deeply concerned also by the steadily increasing inroads into various social groups made by illicit traffic in narcotic drugs and psychotropic substances, and particularly by the fact that children are used in many parts of the world as an illicit drug consumers market and for purposes of illicit production, distribution and trade in narcotic drugs and psychotropic substances, which entails a danger of incalculable gravity,

“Recognising the links between illicit traffic and other related organised criminal activities which undermine the legitimate economies and threaten the stability, security and sovereignty of the States,

“Recognising also that illicit traffic is an international criminal activity, the suppression of which demands urgent attention and the highest priority; [As has been said earlier, we all know that Cayman is now rated the 5th largest financial centre in the world. For too long our image has been tarnished with the idea that bad money comes here. Whatever needs to be done to clear up this image must be done.]

“Aware that illicit traffic generates large financial profits and wealth enabling transitional criminal organisations to penetrate, contaminate and corrupt the structures of government, legitimate, commercial and financial business, and society at all its levels,

“Determined to deprive persons engaged in illicit traffic of the proceeds of their criminal activities and thereby eliminate their main incentive for so doing [In this area the Cayman Islands went a long way last year by passing the Proceeds of Criminal Conduct Law.]

“Desiring to eliminate the root causes of the problem of abuse of narcotic drugs and psychotropic substances, including the illicit demand for such drugs and substances and the enormous profits derived from illicit traffic,

“Considering that measures are necessary to monitor certain substances, including precursors

[this is the substance from which other substances are formed], chemicals and solvents, which are used in the manufacture of narcotic drugs and psychotropic substances, the ready availability of which has led to an increase in the clandestine manufacture of such drugs and substances,

“Determined to improve international co-operation in the suppression of illicit traffic by sea [We know the difficulty we have here trying to patrol our boundaries for incoming drugs in canoes and other means.],

“Recognising that eradication of illicit traffic is a collective responsibility of all States and that, to that end, co-ordinated action within the framework of international co-operation is necessary [We are not an island onto ourselves. Without this cooperation none of these territories can be successful in this attempt.],

“Reaffirming the guiding principles of existing treaties in the field of narcotic drugs and psychotropic substances and the system of control which they embody,

“Recognising also the importance of strengthening and enhancing effective legal means for international co-operation in criminal matters for suppressing the international criminal activities of illicit traffic,

“Desiring to conclude a comprehensive, effective and operative international convention that is directed specifically [And I would like to emphasise that this convention is designed specifically against illicit traffic.] against illicit traffic and that considers the various aspects of the problem as a whole, in particular those aspects not envisaged in the existing treaties in the field of narcotic drugs and psychotropic substances.”

In Article 2 of the Convention it states: **“1. The purpose of this Convention is to promote co-operation among the Parties so that they may address more effectively the various aspects of illicit traffic in narcotic drugs and psychotropic substances having an international dimension. In carrying out their obligations under the Convention, the Parties shall take necessary measures, including legislative and administrative measures, in conformity with the fundamental provisions of their respective domestic legislative systems.**

“2. The Parties shall carry out their obligations under this Convention in a manner consistent with the principles of sovereign equality and territorial integrity of States and that of non-intervention in the domestic affairs of other States. [I know that this was one of the concerns of some Members, but I am convinced that by sticking to the main drive behind the Convention—illicit drugs—this can be dealt with.]

“3. A Party shall not undertake in the territory of another the exercise of jurisdiction and performance of functions which are exclusively reserved for the authorities of that other Party by its domestic law.”

I think that it is also my responsibility to share with the public Article 3 of the Convention which touches on the offences and sanctions. It states:

"1. Each Party shall adopt such measures as may be necessary to establish as criminal offences under its domestic law, when committed intentionally:

(a) (i) The production, manufacture, extraction, preparation, offering, offering for sale, distribution, sale, delivery on any terms whatsoever, brokerage, dispatch, dispatch in transit, transport, importation or exportation of any narcotic drug or any psychotropic substance contrary to the provisions of the 1961 Convention, the 1961 Convention as amended or the 1971 Convention."

It lists as offences and sanctions: **"(ii) The cultivation of opium poppy, coca bush or cannabis plant for the purpose of the production of narcotic drugs contrary to the provisions of the 1961 Convention and the 1961 Convention as amended."** This is the driving force behind the Vienna Convention of 1988.

Continuing with section 2: **"2. Subject to its constitutional principles and the basic concepts of its legal system, each Party shall adopt such measures as may be necessary to establish as a criminal offence under its domestic law, when committed intentionally, the possession, purchase or cultivation of narcotic drugs or psychotropic substances for personal consumption contrary to the provisions of the 1961 Convention, the 1961 Convention as amended or the 1971 Convention."**

Section 4 of that same Article: **"(a) Each Party [each country] shall make the commission of the offences established in accordance with paragraph 1 of this article liable to sanctions which take into account the grave nature of these offences, such as imprisonment or other forms of deprivation of liberty, pecuniary sanctions and confiscation.**

"(b) The Parties may provide, in addition to conviction or punishment, for an offence established in accordance with paragraph 1 of this article, that the offender shall undergo measures such as treatment, education, aftercare, rehabilitation or social reintegration. [This was mentioned by the First Elected Member for Cayman Brac and Little Cayman.]

"6. The Parties shall endeavour to ensure that any discretionary legal powers under their domestic law relating to the prosecution of persons for offences established in accordance with this article are exercised to maximise the effectiveness of law enforcement measures in respect of those offences and with due regard to the need to deter the commission of such offences;

"7. The Parties shall ensure that their courts or other competent authorities bear in mind the serious nature of the offences enumerated in paragraph 1... [And I cannot emphasise enough that this is dealing with drug trafficking].

"8. Each Party shall, where appropriate, establish under its domestic law a long statute of limitations period in which to commence proceedings for any offence established in accordance with paragraph (1) of this article, and a longer period where the

alleged offender has evaded the administration of justice. [We must take whatever action is needed to deal with the traffickers of these narcotic substances.]"

Article 5 4(ii)(b) **"(b) Following a request made pursuant to this article by another Party having jurisdiction over an offence established in accordance with article 3, paragraph 1, the requested Party shall take such measures to identify, trace and seize proceeds, property, instrumentalities or any other things referred to in paragraph 1 of this article for the purpose of eventual confiscation to be ordered either by the requesting Party or, pursuant to a request under subparagraph (a) of this paragraph, by the requested Party."** Without cooperation this effort cannot be successful.

A previous speaker touched on Article 7 of the Convention, asking why items (h) and (i) had been added after items (a) though (g). I ask: What is wrong with the addition of this? As far as I am concerned, it was necessary. There is a strong message that we must send to these drug people: We must not, and we will not tolerate them. The more sanctions and the harder we hit them, the better off we will be. There is no way we can compromise in dealing with drugs.

The final Article I would like to touch on is Article 24. It says: **"APPLICATION OF STRICTER MEASURES THAN THOSE REQUIRED BY THIS CONVENTION: A Party may adopt more strict or severe measures than those provided by this Convention if, in its opinion, such measures are desirable or necessary for the prevention of suppression of illicit traffic."**

Over 150 countries have endorsed this. It is time we stopped pussyfooting around when it comes to drugs in this country. They are literally destroying us. Whatever we have to put in place we must do so now, or the Cayman Islands will be lost. Thank you.

The Speaker: The Fourth Elected Member for George Town.

(2.54 PM)

Dr. Frank McField: I would like to begin my contribution to this debate by complimenting the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation for taking us back to the preamble. I think that therein we find the reasons we are really discussing this Bill today.

The technical part is perhaps best handled by those who are schooled in dealing with legal technicalities. I would like to look at the motives, the intentions behind this. If we are always dealing with the fact that Laws are by no means perfect, we will see that this Bill has quite a bit of merit.

I say that because it appears that the tradition in this country is to discuss Laws when we are dealing with white-collar crime. I think that this is a Law which also attempts to criminalise and discourage white-collar crime which we know is the essential part of drug trafficking today. Fortunately for those white-collar criminals (and unfortunately for the children that drugs destroy), they

can hide behind lawyers; they can hide behind bankers; they can hide behind economic interests. So, while we are talking about protecting the sovereignty of our country by refusing to accept that there is a benevolent interest on the part of the United Kingdom in assisting us by introducing this Law, we forget that the Jamaican canoes and the containers we occasionally gossip about passing through this country with drugs, would all be unsuccessful if we did not provide the type of banking and legal system for these people to escape punishment.

It is important for us when dealing with these technicalities to remember that white-collar criminals deserve no more justice than the normal people who traffic these drugs on a lower economic scale. When we make Laws to send our people to prison for two or three years for being in possession or using ganja, what is so perfect about that? There is the question of rehabilitation and whether or not we are providing sufficient rehabilitative measures, but the Laws have been passed and the judges are carrying out the sentences today without this system being perfect.

Therefore, I think it is important for Members to realise, when approaching this Bill, that we cannot as a society afford white-collar criminals a sense of security any more so than those trafficking on a lower level. Therefore, there remains the question if the Law, as administered, can be perfect? I would prefer the Law to be imperfect than to continue to encourage people to traffic in drugs because of the economic incentives. The economic incentives will always exist as long as bad money can be integrated into good money.

We know that bad money follows good money. If we have good money in the Cayman Islands, we will have bad money seeking to be a part of this good money. Because we in the Cayman Islands keep our financial industry as clean as we can, we have to be more vigilant because we know that bad money follows good money.

When I hear some of the talk about why this Bill may not be right, it reminds me of those shoo-shoo/hush-hush kind of gossip type of attitudes where people are so superstitious that everything that comes from a particular direction has to be bad: yet, at the same time, they are holding out the other hand to get from that same party they are afraid of, certain types of benefits. We have to remember that we became a tax haven, or a financial centre because of our political and legal connections with the United Kingdom. We should not be referring to the United Kingdom as any 'foreign' power or country, because the United Kingdom is not a 'foreign' country—it is the parent country.

What we are is as a consequence of our relationship with the United Kingdom. If they have not put obstacles in our development up until now, why is it that we are assuming that somehow this Bill is an attempt to derail our success? We have to have a little more faith in ourselves. We have to have more faith in our society, and we have to have more faith in our fellow human beings. We should not always think that somebody is coming to take something away and coming to destroy what we have instead of coming to contribute. I say that because I really do be-

lieve that the majority of those who will speak against this Bill are speaking because of superstition and not because of any fact which is founded.

I think that most of us agree that there is a degree of separation of power in this country; but that power is occupied by human beings. In other words, in every position of authority in this country, we have individual human beings. Those individual human beings have weaknesses. Again, the assumption is that somehow that individual who holds that particular office, just like we hold these public offices, can overcome some of these human weaknesses and pettiness. If we can come into this Legislative Assembly and say that we are representing the best interest of the people when we speak on these Bills, then we should accept that the best interest of the people could also come from across the floor of this House in the sense that it comes from the Honourable Second Official Member who has moved this Bill.

I think that I have been criticised in this country for being a bit prejudiced against people. But I believe that it is sometimes better to use one's common sense than to use suspicion and superstition. Whatever I feel about someone is as a result of my experiences; not as a result of superstition, or what I have heard or what I think they are going to do—put me in a pot, boil and eat me! I feel that kind of attitude surrounds the back room discussions I have heard in regard to this Bill, as if the wrench is going to be thrown into the wheel.

Since the 1980s, when the first Mutual Assistance Treaty was brought in, we have had the attitude of 'it's going to destroy this country;' and, 'they want to take over;' and, 'they're jealous because of the prosperity of the Cayman Islands'—forgetting, of course, that our prosperity has something to do with our honesty and our ability to face up to our responsibility to the international community. If we do not face up to our responsibilities, and wait for others to lead, and we to follow, my suggestion is that we lead this crusade against drug trafficking because drugs are at the root of the destruction of modern society—be it in America, be it in China, be it in Cuba or Japan; be it Communist, Fascist, or Capitalist. We are all faced with the same factors threatening to destabilise our countries. This is one reason why Communist, Democratic, rich countries and poor countries, got together and made a pledge to seek to drive the evil which exists in the form of drugs and drug traffickers from the face of the earth.

I think it is very important not to say that China abuses human rights, but to look at the human disgrace that drug addiction creates; the kind of human disgrace that drug wars create. What is greater? Allowing that to continue, or allowing ourselves the opportunity to work along with countries like Cuba or China or Japan, who ever are members of this Convention.

I say all of this because I think it is important to have this Bill supported, not just by the Government, but by Members of the Backbench. I think it would give the people a bad impression if they were led to believe that the Bill went through the House simply because the Government had the numbers to carry it, and that the Back-

benchers were not of the impression that the Cayman Islands must continue to show their Christian principles of trust in other people, and the ability to support others by enacting this Bill into Law.

I know that there were some clauses which bothered some people in the financial community, which the Private Sector Consultative Committee, the Law Society—and I have never known the Law Society to be satisfied with any legislation ever brought to this House. Lawyers can bicker and argue about everything. So, the fact that they might not be 100% convinced that this will serve this country well, does not have anything to do with my considerations today. I think that I have enough common sense to understand why the Mover of this Bill has brought it before this Parliament, and why this Parliament should accept the spirit of this Law and the spirit of co-operation being asked for. I understand that, therefore I am supporting this Bill without any kind of bickering or hesitation.

As mentioned by the Minister for Health, the Authority may refuse to comply with a request. The power to make a decision remains within the Islands. But are we saying that we do not trust the person to make the decision? Well, if that is the case, then you should deal with the person who will be making the decision and put another person in his place; but passage of the Bill should not be prevented simply because of superstition.

It says that the person should think of the essential interest of the Islands. Again, it suggests that the Honourable Attorney General, because he is not a born Caymanian, does not think as much about the interests of the Cayman Islands as, say, Members of this Legislative Assembly. Well, why is he the Attorney General? Why do we continue to hire persons of his background if those persons cannot look after the interests of the people of the Cayman Islands the same as someone like myself? I believe that that has to do with superstition. I believe that we have had Attorney Generals, for instance, Mr. Barwick, who looked after the interests of the Cayman Islands much better than I would have been able to because of his abilities and skill, and because he had it in his heart. That is why that man continues to live here in the Cayman Islands today, and that is one reason why his wife continues to beautify the Cayman Islands with her painting and plants.

If the superstitious reasons for objecting to this particular Bill has anything to do with people's ethnic background, then I say that we should push that out of our minds and hearts, and we should accept that the Mover of this Bill has given us sufficient time to complain in the back rooms, and that we need to bite the bullet, stand up and take a position and not wait for others to take a position when it comes to fighting crime and seeing that the criminals do not enjoy the profit of their crime.

Thank you.

The Speaker: Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 3.15 PM

PROCEEDINGS RESUMED AT 4.14 PM

The Speaker: Please be seated. Debate continues.

The Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture.

(4.14 PM)

Hon. W. McKeever Bush: I rise, and I will be very brief. Over the years, successive Governments have built up our financial industry of which we can all be proud. It is the lifeblood of our country, the mainstay of our economy. We will always be concerned about what we can do to strengthen, or rectify Laws that we must work with.

Only the lawyers can give us guidance on the present piece of legislation. We have to depend upon them to guide us. I have had different concerns, some of which have been answered. There is still one on my mind—the fines. That has been explained. I know that the Honourable Attorney General will explain it again.

The Authority has been explained, and I am sure that he will reiterate what has already been explained. Nevertheless there are persons with questions on their minds, and we must bear in mind that there must always exist (or appear to exist) a separation between the executive and the judiciary. In this instance, as I was told by one legal mind, a very fine line exists.

There are no two ways about it; in recent years we have put through a fair amount (for any Government) of regulatory Laws. No one can say that we are playing cat-and-mouse games with any jurisdiction outside. Our Laws have been amended and we have put in new Laws. Whether this will continue to satisfy either the United Kingdom or the United States remains to be seen. We will have to wait and see where they both head.

But, from different articles I have read, I know that there will continue to be concern. For instance, in *The Offshore Financial Review* for June, one US official is quoted as saying (in regard to tax shelters), **"I see the governments of the world losing the ability to tax business, and I am not persuaded that as a general matter of social policy letting people with the sophistication to hide their assets offshore avoid taxes and have their neighbors pay the cost of running society is a good thing."**

No doubt, the United States will continue to be unrelenting in their efforts to hamper tax havens. We hope that at all times the people who are supposed to protect us will have our best interests at heart. But, thank God, we are seen as a well-regulated financial centre. We have gone through quite a bit of legislation. We are well regulated, and want to stay that way. But now we need to move forward to give our law-makers and policy advisors a chance to move on and be on the cutting edge of legislation that will further enhance our financial industry.

We have been working at many Laws, to the extent that our local Laws which should be strengthened are falling behind. There are several pieces of legislation that should come before us because it will strengthen the financial industry and bring money in to this jurisdiction.

That is what we want! We can talk all day long and find as many excuses as we want, but the bread and butter of this country is the financial industry. The day that anything is done to scare off what is lawful in this country, Caymanians and those who call Cayman 'home' will be the ones to suffer, although some of them could move.

We, the law-makers, will be held responsible. The people will look to us. We have the Mutual Legal Assistance Treaty, the Narcotics Treaty and several other pieces of legislation which are strong. We just passed the Proceeds of Criminal Conduct Law, which is a good piece of legislation. That took a lot of hard work and effort, including a trip to London. So, both jurisdictions (that is, the United Kingdom and the United States) must now realise that we have done our part, and that this territory will continue to be a well-regulated tax haven. We will continue to be a financial industry that offers a good business. To put any other kind of pressure on us now would not help us. We need time to be, as I said, on the cutting edge to strengthen and bring forth business, to give policy advisors time to think and time to sit down to put pen to paper.

This is a good time to pay tribute to our Financial Secretary and those people who advise him in his Ministry; the Deputy Financial Secretary and those from the private sector who do so much for the country along these lines. I thank them for the hard work they put in, because it is not often done publicly.

While we will go ahead with this piece of legislation, those questions will be cleared up. But it is now time for one and all to realise that we must move forward in bringing amendments, or new legislation (such as the Star Legislation) which can be good for the country.

Thank you.

MOMENT OF INTERRUPTION Standing Order 10(2)

The Speaker: It is almost 4.30, I am in the hands of Honourable Members.

Hon. W. McKeeva Bush: Mr. Speaker, I have several commitments, and I know that other Members also have commitments. In the absence of the Leader of Government Business, I will say let us close for the afternoon.

The Speaker: In that case, I will entertain a motion for the adjournment.

Hon. W. McKeeva Bush: The Leader of Government Business has returned.

ADJOURNMENT

Hon. Truman M. Bodden: Mr. Speaker, I understand it is the wish of the House that we now adjourn. If that is your wish I will move the adjournment of this Honourable House until Wednesday of next week at 10 o'clock in the morning.

The Speaker: The question is that the House do now adjourn until Wednesday morning, 18th June at 10 o'clock. I shall put the question. Those in favour please say Aye... Those against No.

AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned.

**AT 4.26 PM THE HOUSE STOOD ADJOURNED UNTIL
10.00 AM WEDNESDAY, 18TH JUNE, 1997.**

**EDITED
WEDNESDAY
18TH JUNE, 1997
10.25 AM**

The Speaker: I will ask the Honourable Minister responsible for Education, Aviation and Planning to say prayers.

PRAYERS

Hon. Truman M. Boddén: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

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

APOLOGIES

The Speaker: Please be seated. Proceedings are resumed. I have apologies from the Honourable Minister for Agriculture, Environment, Communications and Works who will be arriving this afternoon. I also have apologies from the Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture who will be arriving later this morning.

Presentation of Papers and Reports. The Health Insurance Regulations, 1997. The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation

**PRESENTATION OF
PAPERS AND REPORTS**

DRAFT HEALTH INSURANCE REGULATIONS, 1997

Hon. Anthony Eden: I beg to lay on the Table of this Honourable House the Draft Health Insurance Regulations, 1997.

The Speaker: So ordered. Please continue.

Hon. Anthony Eden: Thank you, Mr. Speaker. I must give thanks to everyone for expressing some of their concerns, yet supporting the Health Insurance Bill, 1997. I particularly appreciate the constructive comments that were put forward by Members of the Legislative Assembly during the debate on the second reading of the Bill and the atmosphere of goodwill which prevailed throughout. This has certainly been a most rewarding and encouraging aspect for me as I piloted what could have been a very controversial piece of legislation up to Committee stage.

I would have preferred for the Health Insurance Regulations 1997 to have been debated immediately following the passage of the Bill into Law, but procedurally this is not possible. However, tabling them at this time allows further opportunity for input prior to the debate at the next meeting of the Legislative Assembly later this year. This, in fact, gives me another opportunity to reflect further on the comments and recommendations made during the debate on the Bill, and I shall certainly take advantage of the opportunity that has been afforded me. Indeed, I am hopeful that at that time the work on the "high-risk pool" concept will have been finalised and that the provisions in the draft Health Insurance Regulations for the "high-risk insurance persons" can be further enhanced.

As you can well imagine, passage of the Law does not signal the end of the task for me. As I said previously, fine-tuning the engine must now take place.

I will now comment specifically on the proposals in the Draft Regulations that relate to the "high-risk insurance persons."

Clause 4 of the Bill makes provision for the "high-risk insurance person" to be insured as prescribed by regulations made by the Governor-in-Council. This provision is therefore set out in the Draft Regulations, sections 4 and 5. Section 4 acknowledges that the approved provider of health insurance coverage may, in some instances:- (1) decline to provide cover to the high-risk insurance person; or (2) provide cover, but at an increased premium, which shall be no greater than 200% of the standard premium; or (3) provide cover but with an exclusion or

limitation of cover in respect of the medical condition which causes the applicant to be a 'high-risk insurance person.'

Section 5 of the Draft Regulations seeks to provide health care for the 'indigent uninsurable and the 'partially uninsurable,' and Government shall, every month, collect from each approved provider of health insurance, an amount ranging from \$5 per individual person to \$10 for an individual with one or more dependants each month for every standard health insurance contract issued by that approved provider.

Section 5 (4) provides for funds so collected to be paid into a segregated fund administered by an administrator to be appointed by the Cayman Islands Monetary Authority acting upon the advice of the Financial Secretary. Clause 3 (5) (b) of the Bill provides that the 'partially uninsurable person' who is not an indigent shall repay the cost of such health services to the Government.

I will now share with you some other highlights of the draft Health Insurance Regulations, such as: Who will be required to be insured? The Law will require the following persons to be insured: an employer, his unemployed spouse and children, employees and their unemployed spouses and children (for example, a self-employed person, his unemployed spouse and children.)

Who will be exempt? Some persons will, because of a medical condition or a history of illness, not be able to be provided with cover under a standard health insurance contract. These persons are deemed to be 'uninsurable' and, as stated previously, Government will make provision for those who cannot pay their health care costs. Those 'uninsurables' who can pay will be required to pay for their health care.

The maximum benefits to be provided under regulation 10 will be: For each episode of illness, \$25,000 in medical fees; for each calendar year, \$100,000 in medical fees; and for the life of the insured, \$1,000,000 in medical fees.

Payment of claims under regulation 9 will be: For Out-patient benefits, the following:-

- Routine physicals, tests, x-rays: a limit of \$100 each calendar year.
- Haemodialysis: no limit.
- Emergency medical service: a maximum of \$4,000 each calendar year.
- Ante-natal services (in the Cayman Islands): a maximum of \$500 per pregnancy.

For In-patient benefits, the following: The insured person will be required to pay 20% of fees for in-patient benefits and the approved insurer 80%, subject to the maximum benefits set out in section 9 of the Regulations. In any calendar year the approved insurer shall pay all medical fees charged after the first \$2,500, subject to the annual limit of \$100,000 as specified in section 10 of the Regulations. This means that the insured person's expenditure will be capped at \$500 in one calendar year, provided that person does not exceed the \$100,000 maximum.

I would like to stress that the benefits as previously proposed have not been cut or altered in any way in

these draft Regulations in order to reduce the premiums that were previously put forward. In addition—and contrary to what has been erroneously stated in recent political meetings—there is provision for in-patient benefits at health care facilities overseas. The draft Regulations, section 3, Sub-section (5) states, and I quote **“Subject to Regulation 9, where a compulsorily insured person is required to receive treatment at an overseas health care facility and the Chief Medical Officer or two registered medical practitioners have provided written confirmation that such treatment cannot be provided at a health care facility in the Islands and that such person requires the treatment as alleged, the compulsorily insured person shall be entitled to claim and receive such usual and reasonable costs for any in-patient benefits received.”**

I will now comment on the likely range of premiums that we can expect to see. I have tried to give examples of these in the table of figures which I have provided for you. As you will note, I requested quotations on premiums for the following categories:

- a single employee;
- an employee with one dependant;
- a employee with more than one dependant.

For a single employee the lowest quote was \$34.64 which would be split into halves: half (\$17.32) paid by employer, and half by the employee. The highest quote was \$65 with half (\$32.50) paid by the employer, half by the employee.

For an employee with one dependant, the lowest quote was \$67.60. The employer would pay half the employee's premium which would be, \$17.32 and the employee would pay \$50.28 which is for the other half of his premium plus the full premium for his dependant. The highest quote was \$130, with \$32.50 paid by the employer and \$97.50 paid by the employee.

For an employee with more than one dependant, the lowest quote was \$94.38. Once again, the employer would pay half the employee's premium, which would be \$17.32, and the employee would pay the other half of his premium plus the whole premium for his dependants, and this would be \$77.06. The highest quote for such an employee was \$190, with \$32.50 paid by the employer and \$157.50 paid by the employee. It is also understood that discounts will be given for groups that will vary according to the size of such groups.

These figures represent a cross-section of those which have been submitted to me by some of the local providers of health insurance, however I would like to sound a note of caution here against assuming that these figures are cast in stone. Premium rates are subject to such forces as competition in the market place and whether a person is insured under a group policy. As I pointed out, last year we talked about the \$60 premium and it was intimated to me that if we set that figure at \$60 the insurance companies would make no effort to lower that premium. It would stay at that rate for as long as we said so. But, if we allow the market forces to work, we can see these figures being driven down. Both of these

factors work in favour of the insured and his dependants by easing the premium downwards.

As can be seen by what I have termed the 'likely range of premiums,' it pays for anyone seeking insurance coverage to shop around. I would like to encourage people to take out health insurance which is in excess of this basic package. The money spent will be very well worth it in terms of the even greater sense of security that increased benefits would bring.

I would like to conclude by once again thanking the members of the Health Insurance Advisory Committee who have devoted many long hours to the task of bringing the Law and draft Health Insurance Regulations to fruition. The Members of this Committee are:-

Miss Andrea Bryan, JP – Chair
 Hon. James M. Ryan, MBE, JP
 Hon. Anthony Eden, MLA, JP
 Hon. Truman Bodden, OBE, MLA, JP
 Hon. McKeeva Bush, OBE, MLA, JP
 Mr. Christopher Collins
 Mr. Mervyn Conolly
 Mr. William Adam
 Mr. Derek Bogle
 Mr Danny Scott
 Mr. Spencer Marshall
 Mrs. Lavern Daykin
 Mr. Roger Corbin
 Mr. Chris Gunby
 Mr. Harvey Stephenson
 Mr. Lloyd Christie
 Mr. Norman Wilson
 Mr. Colin Luke
 Mr. Don Kissoon
 Mr. Colin Ross, Senior Assistant Secretary in the Ministry
 Mr. Geoff Scholefield
 Dr. Howard Ironstone
 Mr. David Bird

In addition, I would like to thank the many companies, organisations and individuals who have provided feedback and support for this very important legislation. I also thank, yet again, the media for the excellent job of getting the facts out to the public and for keeping them informed.

I would like to issue a reminder at this time that following the enactment of the Law, every approved provider must, within six months, be able to provide standard health insurance contracts, and the provision of the Law relating to penalties will not be brought into force until one year after such enactment.

Honourable Members, this then sets out, very briefly, some of the highlights of the draft Health Insurance Regulations to be debated at the next meeting of this Legislative Assembly in September of this year, God willing.

The Speaker: Item 3, Questions to Honourable Members/Ministers. Question No. 105, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTIONS TO HONOURABLE MEMBERS/MINISTERS

QUESTION NO. 105

No. 105: Mrs. Julianna O'Connor-Connolly asked the Honourable First Official Member what procedure is in place for handling complaints against the Police Officer in Little Cayman.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: The procedure in place for handling complaints against the Police Officer in Little Cayman is exactly the same procedure as exists for dealing with complaints against other Police Officers. Reports/complaints are investigated by the Complaints and Discipline Branch of the Royal Cayman Islands Police under the direction of the Deputy Commissioner of Police.

SUPPLEMENTARY

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Member can say whether or not there have been any complaints to date?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: There was one complaint against this officer. It was investigated and found to be unsubstantiated.

The Speaker: If there are no further supplementaries, the next question is No. 106, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 106

No. 106: Mrs. Julianna O'Connor-Connolly asked the Honourable First Official Member to provide a list of criminal offences committed by the public in Little Cayman six months prior to the Resident Police Officer's recruitment and six months after his recruitment.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: The list of criminal offences committed in Little Cayman six months prior to the Police Officer's recruitment and six months after his recruitment is as follows: From 1st January 1995 to 30th November 1995, two offences were reported on Little Cayman. From 1st December 1995 to 1st June 1996, nine offences were reported.

SUPPLEMENTARY

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Member say how many of these resulted in prosecution, if any?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: The offences were all investigated, but I do not have the information as to whether the alleged offenders were actually prosecuted. I can undertake to give that in writing, if the Member so wishes.

The Speaker: If there are no further supplementaries, the next question is No. 107, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 107

No. 107: Mrs. Julianna O'Connor-Connolly asked the Honourable First Official Member to say whether there are any Caymanian Police Officers working in Little Cayman.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: There are no full-time Caymanian Police Officers working in Little Cayman. Caymanian Police Officers from Cayman Brac may work in Little Cayman occasionally to assist or relieve the Resident Constable.

SUPPLEMENTARIES

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Member say whether or not any Caymanian police officers relieved the resident English police officer during his recent vacation period in Little Cayman?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: It is my understanding that another police officer did relieve the resident officer during his recent vacation.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Was the officer Caymanian, or an English officer? I was not clear on that point.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: It is my understanding that the officer relieving was a Caymanian.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: I am just seeking a point of clarification as well, because I was not sure if she was talking about Caymanian by nationality, or Caymanian by force or by service, since it is the Royal Cayman Islands Police Service, I would think that the officer was Caymanian in that sense.

The Speaker: You do not have a question then?

Dr. Frank McField: I was seeking a point of clarification because I was concerned as to why the Member was asking whether the person was being relieved by 'Caymanian' police officers. If that is a point of concern then I am wondering why the officer in Little Cayman is not Caymanian by nationality.

The Speaker: I am still not quite clear. Are you addressing a question to the Honourable First Official Member?

Dr. Frank McField: It was an observation. I did not understand, because we are using the word 'Caymanian'.

The Speaker: I understand that part, but this is Question Time.

The Member for North Side.

Mrs. Edna M. Moyle: I wonder if the Honourable First Official Member could say, since Government is committed to Caymanising the Civil Service, if there is a Caymanian being considered to understudy this officer in Little Cayman with a view to replacing him at the end of his contract?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Yes, there is every intention of finding a Caymanian police officer for Little Cayman, but I do not think there is any need to have a Caymanian understudy this particular officer.

The Speaker: If there are no further supplementaries, the next question is No. 109, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 109

No. 109: Mr. Roy Bodden asked the Honourable Minister for Education, Aviation and Planning what facilities are in place to allow students who were scheduled for external examinations to maintain their studies whilst at the Alternative Education Centre.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The Counsellor, who is attached to the Alternative Education Centre, also functions as the school's liaison officer with feeder schools. When students, in their final year of studies, are placed in the Suspension Unit of the Alternative Education Centre for a period exceeding seven days, the following procedure is adopted to ensure their ongoing course work and examination work.

(1) The school counsellor will liaise with the Head of Year 12 at the John Gray High School in order to determine which, if any, external examinations the student is scheduled to sit. These may include CXC, IGCSE, C of E, City of Guilds, RSA and Pitmans. It is the duty of the liaison officer to contact every teacher who is responsible for the teaching and overseeing of the student's examination work are completed.

(2) It is the responsibility of the individual teachers of the High School to expeditiously make available the student's course work and examination requirements to the counsellor.

(3) The school counsellor provides the teacher in charge of the suspension unit with the student's course work. The teacher in charge of the suspension unit provides this material for the student and oversees its completion in accordance with the individual examination boards' requirements. All course work completed by the student is sent by the school counsellor to the High School teachers for marking and correction as appropriate.

(4) In the case of all examinations, the Principal of the John Gray High School permits the suspended student to attend the John Gray High School to sit his/her external examinations, with the provision that the student complies with the rules and regulations laid down by both the High School and the individual examination board.

Students assigned to the tutorial unit are not normally of examination age and to date near all have been reintegrated into the high school by the time of examinations. On the rare occasion that a Year 12 student may be assigned to the tutorial unit, the procedures outlined above are put into practice.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister say, in the case of these students, if any file containing information as to the type of exams they are taking and the requirements of this exam accompanies them at the time they are referred to the alternative education centre, so that those in charge can be absolutely certain of what steps need to be taken?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The answer is yes.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister say if there is any student currently at the alternative education centre who falls within this category of taking an external exam?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: There was one, but he is on study leave.

The Speaker: If there are no further supplementaries, the next question is No. 110, standing in the name of the Third Elected Member for Bodden Town

QUESTION NO. 110

No. 110: Mr. Roy Bodden asked the Honourable Minister for Education, Aviation and Planning what strategies are being effected to deal with the problems of group activities, delinquency and alienation at the George Hicks and John Gray High Schools.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: While the vast majority of students continue to attend school at John Gray and George Hicks High Schools without experiencing any problems, both schools have initiated a number of strategies to address not only areas of actual problems, but also those areas of potential problems.

George Hicks High School works closely with the Juvenile Bureau of the Royal Cayman Islands Police, Social Services, parents and school counsellors. General Home School Association meetings have addressed the concerns mentioned. Interest centred workshops have been offered to parents by the pastoral team which is comprised of senior staff, Heads of Year, tutors, counsellors and the nurse. This team has also been responsible for home-school contact not only when there is a problem, but also when there is a positive report to be made. Sanctions used at the school include community service, detentions, withdrawal from classes, suspensions and occasionally the strap.

Parents' conferences are always encouraged when there is cause for concern or to 'nip' a problem in the bud. Students are rewarded through a merit system which includes verbal praise, house points certificates and badges. Motivational speakers are used at assemblies, talented students are showcased and religious assemblies are held.

Services outside the school have also been utilised to deal with individuals and groups, e.g. Cayman Counselling Centre and Mental Health. Other strategies em-

ployed have included group and individual counselling, redirection of energies into sport and extra curricular activities.

John Gray High School uses similar strategies such as group counselling through the Royal Cayman Islands' Police Juvenile Bureau. Parent Teachers' Association meetings are also held to discuss concerns with parents, Social Workers have recently completed workshops at this school on "consequences of offending."

The pastoral system comprising a team of senior staff, heads of years, tutors and counsellors is used effectively in dealing with cases of misconduct. Detentions and suspensions are used as sanctions. Positive reinforcement is also given in tangible ways through the merit system, good reports and similar methods.

While cases of alienation are relatively small, individual and peer as well as contact with the home and social workers are employed whenever such cases present themselves.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: The Honourable Minister stated in his answer that community service is utilised. Can the Honourable Minister elaborate what forms this community service takes?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: This is almost always carried out at the school. For example, it may be painting the wall of a building, or it could be clearing trash, areas such as that within the school itself.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister say if any thought or attention has been given to expanding this notion of community service, particularly among the older juveniles, to where they may be required to visit with the elderly and do simple chores or reading for them on the weekends? These kinds of things would inculcate a sense of community and respect, and would also give those youngsters a sense of self-worth.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: While I think there is merit to what the Member has said, most of the time the service is done within the school because supervision is quite ably carried out. I will, however, pass the Member's suggestion to the principals of the schools to see whether

we can expand the service along those lines, and then see how it develops.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister also state if there currently exists any organisation at the schools such as the Boy Scouts, or Girl Guides, which allows the students to form into groups where their activities and interests can be constructively channelled, and where they can participate in meaningful after school activities?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The Scout association operates at the primary level. At the secondary level there are things like Key Club, which is a very active, well organised club. The Member mentioned Girl Guides. That also operates at the primary level.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister give an undertaking to investigate whether it would be feasible to set up some kind of cadet corps where girls and boys might be able to meet to channel their energies and interests after school? I know that these organisations have been very effective in some jurisdictions. The idea of a uniform and a rigid programme seems to be attractive and have a therapeutic effect on some of these kinds of problems. I am asking if the Honourable Minister would give an undertaking to investigate into the possibility of having this included in some after school activities, probably with the cooperation of the Royal Cayman Islands Police Service, or the Fire or Prison Service.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I will undertake to look into this because I know that in other jurisdictions a cadet corps has operated effectively in a more or less select area. I should point out that there are perhaps too many extra curricular activities at the schools, if I may use that form of language to stress what is there. There is Piano Club, the Saxophone Club, there is a sports club, band, dance, music. I know what it is like with my 11-year-old: There is such a range of things for the children that sometimes it is a dilemma to fit so much into the time they have.

But I think the Member has raised a good point, and I will have it assessed to see whether a cadet corps could be added to the activities of the High School.

The Speaker: If there are no further supplementaries, that concludes Question Time for this morning. Moving on to Government Business, Bills. Continuation of the

Second reading of The Misuse of Drugs (International Co-operation) Bill, 1997.

The Third Elected Member for Bodden Town.

GOVERNMENT BUSINESS

BILLS

SECOND READINGS

THE MISUSE OF DRUGS (INTERNATIONAL CO-OPERATION) BILL, 1997

(Continuation of debate thereon)

(11.05 AM)

Mr. Roy Bodden: This is one of those Bills where I would have exercised my option to remain silent, especially more so after reading the editorial in today's *Caymanian Compass*. However, I find it necessary to briefly express some areas of concern that I have with this Bill.

I am cautioning my listeners, as I am cautioning myself, that my area of expertise does not extend into the legal aspects of this Bill which I think have been very ably debated by other speakers. I shall merely confine myself to some areas of general principles and concern which I think have to be expressed by those of us who speak for the conduct of the Cayman Islands with regard to these kinds of requests and demands.

The first point I wish to make is that the Cayman Islands, since my brief time in this Legislative Assembly, has always been forthright and forward in the attempt to remain a responsible and meticulous jurisdiction in regard to avoiding certain pitfalls and encouraging certain types of activities. Therefore, I am mystified by the increasing number of requests and demands being placed upon us. I have to say that as a legislator I am concerned that what we are doing is stripping away our veil of attractiveness. I see not so much a move to curtail the negative aspects of drugs and the proceeds of drugs as much as an attempt to destroy the financial basis of jurisdictions that have set themselves up like the Cayman Islands—Guernsey, the Channel Islands, the Isle of Man and all these other jurisdictions.

I am especially impressed that this is so when I read journals like the *Economist*, which in the issue of 31st May - 6th June featured an article entitled "The disappearing Taxpayer." The article goes on to say that the developed countries, particularly the European Union and some outside of the European Union (what is called the G-7) decided to take a concerted effort to rope in the many billions (if not trillions) of dollars which they claim are evading them by being placed in financial centres such as ours. The article goes on to draw reference from two other articles written by experts in the field which suggest that with the introduction of electronic media these countries have an increasing challenge and commitment.

There is no need for a rush to judgment. There is no need for any cloud of suspicion to be hanging over our efforts in the Cayman Islands. On our own initiative we have taken what we considered necessary and prudent steps. When I look at the list of countries whose requests we will now have to submit to I have to call upon my sense of humour, because some of these countries are international pariahs themselves. Can you imagine the Cayman Islands having to entertain a request from places like Iran and Iraq, or Libya? It almost borders from the sublime to the ridiculous.

This country has never had the kind of infamy that some of those countries have had; and for us to be placed at the whim and fancy of their requests.... As a responsible legislator, I have to express my concern. It reminds me that these things are not necessarily motivated by the need for justice, but by power and influence. Our situation here is not unlike the situation millions faced in what has become known as the Melian Dialogue, when the Melians sat down with the Athenians to tell them they were not going to offer them any resistance in their struggles with the Spartans because they considered that they had been doing the right thing. They told them to settle their scores without their assistance. While it is true that we have no might and no power, we have a conscience and the will. I am willing to place on record my strenuous objection to our having to subject ourselves to this kind of business.

I could also say that I am concerned about this whole business of a Central Authority not being as it is in other legislation of this nature—resting with the courts. I understand and appreciate that from the Central Authority in this case it will have to go to the court for the final say. I am not casting any aspersions on the present holder of that post, but if the Central Authority emanates from the Attorney General's office, I have to concede that it is a quasi-political position. Because of that, some pressures can be brought to bear. We would have to acknowledge that. While it may not be so, there could be attempts to influence. I wonder if this piece of legislation could not be amended to comply with other legislation where the Honourable Chief Justice has the power (as under the Mutual Legal Assistance Treaty) to delegate a person to be a representative of the court to make these decisions.

I do not know what the future will hold for us, but I see an increasing encroachment upon what we have set up as our veil to legitimacy in attracting responsible finance in this country. I sound the warning that, as much as we are dedicated to avoiding the scourge of drugs, our ability to earn and offer the people of this country a reasonable economic standard is striped away, that is the time we will have problems with drugs.

In the final analysis, I would suggest to the Government that, if it has not already been done, we seriously consider developing a Web site where we can make all of the steps the Cayman Islands have taken available on the internet, in case anyone is in doubt of our efforts. We can propagandise and make available our position of responsibility and meticulousness.

There are other people who are concerned about these kinds of encroachments. I crave the Chair's indulgence to read from the *Hansards* of the House of Lords, a debate which took place on 11th June regarding the dependent territories. Baroness Hooper rose to call attention to certain of the challenges and problems faced by the developing countries. I would like to quote from Baroness Hooper's contribution.

"I should now like to make some further brief points on matters about which much more could be said. Sometimes common solutions are proposed for the dependent territories, but they may not necessarily be appropriate to all. The level of regulation of financial services that is appropriate for the Cayman Islands—the fifth largest banking centre in the world after London, New York, Tokyo and Hong Kong—may not be appropriate for the Turks and Caicos Islands which have a much smaller and less significant financial services base. Similar points could be made—and I am sure that they will be—in relation to Bermuda which leads in the insurance field. We should look imaginatively at special issues and special needs and try to find very specific solutions to them."

What has been offered here is certainly not a special solution—it is as general as they come. I end with a note that if we continue to give ground, it will soon be like the gentleman who was well dressed, standing on the corner of a business street in Montreal in the wintertime: He saw a hobo passing by shivering from the cold. First, he gave the hobo his overcoat, but the hobo complained that he was still cold; so he gave him his shirt and trousers. The hobo proclaimed that he was still cold. Finally he gave him his underwear, but the hobo still complained he was cold—leaving the gentleman standing naked.

Thank you.

The Speaker: The First Elected Member for George Town.

(11.18 AM)

Mr. D. Kurt Tibbetts: This Bill before us today is called The Misuse of Drugs (International Co-operation) Bill, 1997. I listened very carefully to the Mover, and also to the other Members who spoke on the Bill.

When it was first brought here, I raised an objection because we had to suspend Standing Orders. Let me say that I have some major concerns with the effects that this Bill, as it has been presented, is going to have on our overall picture, once allowed clear passage.

It has been said that the welfare of the people is the paramount law. While I am not a lawyer, that is language that I do understand. I stand here today taking that statement on board, even at the risk of being chastised by others. The other thing I need to say is that I am going to be making points that will not coincide with the thoughts of the Mover and possibly others. Having said that, let me say that my thoughts will not be based on any superstition. I heard it said in here that those who are speaking

against this Bill are speaking out of superstition. I am not a superstitious person. Let me make that clear.

I will attempt to use a few examples proving, first of all, that we in the Cayman Islands have gone way beyond the call of duty when it comes to dealing with money laundering, etcetera, ensuring that there is as little of it as possible passing through this country. I hold firm to the belief that no other country operating as a (loosely termed) 'tax haven' has gone beyond us when it comes to doing what is right in that regard.

If we call ourselves a state, then **"Nothing doth more hurt in a state than that cunning men pass for wise."** We need to remember that. There is also another statement that was made by Lord Byron. It is simple, but effective. He said, **"A thousand years scarce served to form a state; an hour may lay it in the dust."** I trust this is not that hour.

With your permission, Mr. Speaker, I would like to quote from some recent periodicals. The first one is: **"The Cayman Islands transformation over the past 40 years from an economy that was based largely on fishing and turtle farming, into one of the world's leading off shore financial centres and holiday resorts has been encouraged by a consistent economic policy. There are no direct taxes or exchange controls. Frequently upgraded legislation has taken the territory far beyond its earlier attractions as a tax haven. Political stability and a close link to the United Kingdom through the Cayman Islands' Crown Colony status have all been of significant benefit."** So say, officials and business leaders. However, the economy, which is narrow and open, is vulnerable to forces outside the territories control. External political forces can be equally worrying. Our financial services sector is vulnerable to the politics and policies of other Governments."

I think this Bill proves that last statement to be correct.

I am going to use an example to show that we have always been on the right track. There is an article with the caption "Concerted efforts to purge the banking system of dirty money are paying off." The section I will read is as follows:

"When Mr. David Harrod arrived in the Cayman Islands with a work visa and a letter from the Deputy Financial Secretary confirming his employment as Chief Executive of the Islands' new Stock Exchange, he thought opening a new bank account would be a simple matter. He soon discovered that it was not. The bank required references before it would even consider his request. The caution reflects steps to eliminate criminal financial activities in the Cayman Islands."

"A legal Assistance Treaty with the United States signed in 1986 and ratified in 1990 provides for the exchange of information between law enforcement agencies. Legislation in 1992 made the laundering of drug money a criminal offence and obliged banks to report suspicious transactions. Last

year, the Cayman Islands followed that by extending its money laundering legislation to cover all serious crimes.

"We are proud of the fact that the new Proceeds of Criminal Conduct Law is a flag-flying operation. It states exactly what kind of business we are prepared to look at and what we are not. Our confidentiality legislation does not shield criminality. It defines the basis on which information should be shared. Anyone using it as a shield is deluded."

That quote was from the gentleman walking into the Chamber.

I have a couple more. Before I read them, let me say that the reason I am doing this is because I believe that there are a lot of people who live among us who really do not understand the pains we have gone through to do this thing right; much less those who are far removed but who seem to want to decide which side of the bed we get up on in the morning.

"The distinctions between an off shore and an on shore centre have started to blur. We are preparing ourselves more to places like New York and London, than in other off shore centres." That is a quote from a well known banker here.

The last that I wish to quote is from an article entitled, "Paradise under Pressure." I do not know if that rings true to you, but that is what I see happening to us today—we are a paradise under pressure. **"Like most other off shore centres, it has come under strong pressure from on shore countries, especially the US, to jettison its banking secrecy laws and open its books to outside authorities. But, unlike many other tax havens it has been making efforts to meet its detractors half way."** The 'it' here, is us. **"The enforcement of a Mutual Legal Assistance Treaty with the US in 1990 and the enactment of the UK's Proceeds of Criminal Conduct Law in 1996 have won grudging praise from the authorities in Washington."** I can see them now!

Of course, the US officials say that the provision which does not extend to tax crime could go further. Of course they would say that! That is why they are the US and we are the Cayman Islands. It is as simple as that. Now, if they want us to be them, and they be us, then let us go there and let them come here; but they certainly cannot expect us to be like them and retain our identity. That is really asking a bit too much.

It is my understanding that what really attracts people to the Cayman Islands is not so much that we do anything so different here; it is that we have developed systems which do not off-load a bunch of bureaucracy and yet still achieve the same goals.

But let us look at it in a different light. If what we offer is not innovative enough to seem better than what those people have in their own back yards, why would they come to us? What do these people expect out of us?

Let me close off with what I am reading: **"As the 5th largest banking centre in the world and a leader in off shore debt issuance and securitisation, the Colony's**

future hinges on its ability to compete with onshore rivals and stay ahead of its off shore counterparts in the Caribbean." Exactly right! I contend that this Bill as worded does not give us a chance to do that. By whose design is another matter, and I am not so sure that I am prepared to delve into that—but, you never know.

"The new Monetary Authority (which will be headed by Mr. Neville Grant, an advisor to the International Monetary Fund) will put the Cayman Islands on an even footing with unitary supervision bodies in other centres. By de-linking it from the Civil Service it will also enable the Colony to pay its regulators higher salaries. The acting Head of the Body said, 'We plan to increase our supervisor staff by 50%. We are strongly aware of the need to have the best regulation we can get and to be able to carry out better cross-border supervision.'" I want to know what more do they want?

Before I get into the various sections of the Bill. . .

The Speaker: Would this be a good time to take the morning break?

Mr. D. Kurt Tibbetts: Yes, Mr. Speaker.

The Speaker: Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 11.35 AM

PROCEEDINGS RESUMED AT 12.37 PM

The Speaker: Please be seated. Debate continues. The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: When we took the break I was about to move on to another area which I think will assist in my argument. If we revisit the year 1995, we will recall that the Caribbean Financial Action Task Force did an assessment of the Cayman Islands. There are certain areas in their report which are valid to my line of argument today. In their report, they stated: **"The Government of the Cayman Islands had taken decisive and sustained steps to curtail the money laundering problem. A series of measures, including laws, have already been passed and implemented."** This was in 1995, and they went on to say that further measures were being planned.

They stated: **"There is a clear perception that the implementation of effective measures to prevent and control the laundering of illicit proceeds will enhance the reputation of the Cayman Islands as a financial centre."**

They went on to say: **"The banking community is very close knit with a high level of awareness and understanding of the problem of money laundering and the importance of keeping the banking system as free as possible of drug money."** Bear in mind that we

are not judging ourselves; these are people who have come to judge us, and this is what they are saying.

They go on further to say: **"The banking community [this is not the Government or the Law] has deployed significant resources to help combat money laundering. Certain banks have named Compliance Officers to help in the application of anti-money laundering services which the internal audit function tests on a regular basis."** So, we see that even these people who are meticulously looking to find things, because that is their job, are still saying that we are doing what we are supposed to be doing.

They go as far as to name the laws which are on our statute books which make us an effective jurisdiction when it comes to preventing money laundering. I think it is noteworthy for us to remember what these laws are. They say: **"The principal laws providing avenues for anti-money laundering international cooperation between the Cayman Islands and other jurisdictions are:**

- 1) **Evidence Proceedings in Other Jurisdictions Act, 1975, as extended to the Cayman Islands by the Evidence Proceedings in Other Jurisdictions (Cayman Islands) Order, 1978;**
- 2) **The Misuse of Drugs Law (Second Revision) As amended in 1989;**
- 3) **The Mutual Legal Assistance (United States of America) Law, 1986; and**
- 4) **The Confidential Relationships (Preservation) Law, 1976, as amended in 1979 and 1993."**

Since then we have also taken on board the Proceeds of Criminal Conduct Law. Now we are looking at the Misuse of Drugs (International Co-operation) Bill, 1997.

In 1995 the Caribbean Financial Action Task Force said in their report: **"It is expected that procedures for assistance will also be put in place to implement the 1988 Vienna Convention ratified by the United Kingdom which was recently extended to the Cayman Islands."** So, they said that. Now, it is here before us. Finally, in their report they state that some statistics were included, but, **". . .these are not considered the most important criteria by which the Cayman Islands programme should be assessed. Because of the transitional nature of drug trafficking and money laundering, and in view of the significance of off shore financial services to the Cayman Islands, importance must be attached to two other criteria: 1) The extent to which the existence of the overall programme and the implementation of those measures have had a preventive effect on the money laundering phenomenon. In other words, is the Cayman Islands now less attractive and a less exploited destination for money launderers? 2) The extent to which the authorities and agencies have contributed to multi-lateral initiatives and international cases. In both of the above instances, it is considered that the territory has ac-**

quitted itself impressively." Now, what better do we want than that?

They say, **"The financial industry is clearly well regulated and supervised to a high standard. The authorities are keen to ensure that effective counter money laundering controls are in effect."** While I chose excerpts from that report, I think it is obvious that these people were impressed with the way we do what we do in this regard.

All that I have said so far is not to say that we are at a level where we no longer have to worry or keep our eyes open. I am not saying that. What I think we should be very careful of is what the Third Elected Member for Bodden Town alluded to with his illustration of the man who gave away all his clothes.

Now, going into the Bill itself, there are certain areas which I believe need to be addressed regardless of the outcome. First of all, in the Memorandum of Objects and Reasons it states, **"Mutual legal assistance in criminal matters specified in Article 3 (1) of the Convention may be requested for any of the following purposes. . ."** and it lists (a) through (i). Others have mentioned it before, but an old friend of mine always said repetition bears emphasis.

If we look at Article 3(1) of the Convention, it simply goes from (a) to (g). That means that the proponents of this Bill believe that we should be adding (h) and (i). Item (h) refers to "immobilising criminally obtained assets;" and (i) is "assisting in proceedings related to forfeiture and restitution." It did have "and collection of fines," but an amendment was moved so we do not have to deal with collection of fines, thank God. I ask why, after we have seen that we have been doing more than what should really be expected of us in this regard, do we continue to believe that we should be going beyond everything else? I believe that sooner, rather than later, we are going to find ourselves handcuffed, restricted, encumbered (and every other similar word that can describe it) when it comes to having any kind of edge in this area.

Others have said it in different ways, but I firmly believe that if we lose that competitive edge, the negative effect it will have on our society will not be something that we will want to contend with. We always say how fickle the two main pillars of our economy are. Regardless of which side we take politically, I think we all agree that it is in our best interest to nurture both of those pillars so that we can continue to live at least the way we have been, if not better.

I do not think that we can just think along one line without worrying about what might happen. We must worry about what might happen if we do not do things the right way. So, I cannot accept that we must continue going beyond the call of duty because sooner or later we are going to go too far. I have heard over and over again the Honourable Third Official Member refer to that competitive edge, but the competition keeps getting stiffer elsewhere. It is a fact—because they want to survive, as we do, in this great big world.

Why, then, would we even venture to take a chance that we would be our own undoing? I do not know if what I have just said is agreed to by all, but that is how I feel. I say, please do not bring something like this to me and expect me to say it is wonderful, because I am not going to do that. Whether it causes me to lose face in the eyes of some, that is tough. I believe that what I am saying is right.

Talking about Article 3(1), if we look in the Bill on page 7, section 2(2), we will note there has been an amendment. That amendment causes it to now read: **“In this Law references to an offence to which this Law applies are references to the offences specified in Article 3(1) which are offences of the same or a similar nature under the Laws of the Islands.”**

Let me show you that how what seems so wonderful had the possibility of causing so much damage. The way this reads to me is, however Article 3(1) is in the Convention, the way we are wording this in our Bill means that we are taking on board however that reads. Bear in mind that while we will not sit here and amend Article 3(1) of the Convention, it can be amended elsewhere. And it is quite possible that it will be. But what we are saying in this is that no matter how they amend Article 3(1), we are happy with that—even though we do not know what that will be. I cannot accept that.

If I am reading it wrong, others will have a chance to show me otherwise. But that is how I read it now. I am not a lawyer, neither am I a chef of flowery language like the Third Elected Member for Bodden Town has been told he is. But I do believe that I can understand English. Unless I am missing something, that is how this reads to me. So, Article 3(1) has two problems in my opinion. What is going to be done about it is a different matter, but I cannot accept that. When we look in section 3 and we see where it says, **“Mutual legal assistance in criminal matters specified in Article 3(1) may be requested for any of the following purposes. . .”** and it goes down the line. As I mentioned, I do not see why we should have items (h) and (l).

I think it is obvious, because of the nature of the way we do business in the Cayman Islands, that having adopted the Convention there will be more requests made to us than requests that we make to the other participating countries. The question I want to ask is: Has anybody considered at any level what kind of cost that means to this country? When these requests are made, they are not being made with a blank cheque. That is not my understanding of it. The due process which will have to take place means the kind of man-hours I cannot even begin to imagine. I want to know if anybody has thought about the kind of costs we will be involving ourselves with. I will bet that there will come a time when somebody will ask. Maybe there are ways to circumvent that problem. I do not know. I do see it as a potential problem. It is possible that Government will have to hire staff specifically dedicated to dealing with these requests.

Many of the people who made their contribution to the debate on this Bill have spoken about the Central Authority. I think it is also necessary for me to make it

very clear that none of the points I have raised have a bearing on any individual—they simply deal with the way the Bill is worded. I am simply talking about the post, not the person.

Section 4 says: **“For the purpose of Article 7(8), the Central Authority shall be the Attorney-General who shall exercise his functions under the Convention and this Law.”** When the first Bill came in April, there was a big discussion regarding the Central Authority. Questions were raised. I think it is fair comment to say that this new Bill has made some attempt to address the problems which seemed to arise with the Central Authority being the Attorney General.

My understanding is that the way it will work now is that the requests will be made to the Central Authority, which means that the first person to examine the request and decide on its validity is going to be that Central Authority. My question in this area is: When the Central Authority sends the judiciary confirmation that due process can take place with the request will the judge examining the request see everything which was originally sent; or, will the Central Authority decide what to send and what not to send. I have read the Bill as the Devil's advocate, and if that is what I am now, so be it, but nothing states that clearly. The reason I have posed the question is because the nature of the beast is such that if a judge has to ratify the request, it is my opinion that whoever that person is must have total access to all documentation which was sent with the request.

This then begs the question: Why the Central Authority? Why not go straight to the judge with the request? Maybe we will hear more about that.

There are two other very small sections where I think just one word should be changed. Section 8 (1): **“The Authority may refuse to comply with a request. . .”** and it goes from (a) to (f) listing the various reasons why. As far as I am concerned, if any one of these six reasons which would allow the Authority to refuse to comply with a request exists, then the wording in this Bill should read: ‘The Authority shall refuse to comply with a request. . .’ That is my feeling.

In section 9, a similar situation exists. It reads: **“The Authority may postpone giving assistance pursuant to a request where such assistance would interfere in an investigation, prosecution or other proceeding in the Islands.”** I say if such is the case and that assistance would interfere in the investigation, then the Authority ‘shall’ postpone it, not ‘may.’ Maybe we will hear more about that too.

Section 12 has two areas I think we need to look at. Section 12(1) reads: **“Where, pursuant to a request, the Authority considers it necessary to enter and search any premises, he shall direct a constable to apply to the Grand Court for a warrant in relation to specified premises.”** That stems from my previous argument regarding the Authority. As I understand it, if the Authority, after examining the request, decides it is necessary, he will simply instruct the police to apply to the Grand Court for a warrant in relation to the specified

premises. It has down below here the various areas which would justify issuing such a warrant.

I hope that I will be able to explain this. I have a problem with the whole chain of command here in that, if a judge is going to make the final decision whether the request is going to be granted, or whether to issue a warrant, I would like somebody to explain to me the real purpose of the Authority. Why is there a difference when the Authority still refers to the judge to get the final decision? Who knows what goes on from the time the request is received until the judge gets it? I am not implying there is any hanky-panky, I am asking, since the judge has to make the final decision, why does somebody else not put the whole thing together and then present it to him? Why not just pass it to the judge and say, 'this is what we want'? I do not understand the real purpose of the Central Authority. Someone will have to explain this better for me to understand the true purpose of it.

In section 12(5) it says: "**Where a constable has entered premises in the execution of a warrant under this section, he may seize and retain any material, other than items subject to legal privilege, which is likely to be of substantial value (whether by itself or together with other material) to the investigation for the purposes of which the warrant was issued.**" The question that comes to mind here is: In this day and age of computer disks, etcetera, if a constable is to seize a computer disk, and that disk contains material which is subject to legal privilege (meaning attorney/client correspondence, and that sort of thing), for the constable to be able to determine that he would still have to see what is contained on that disk. So, what happens in that instance, in my opinion, is that he will still have to see it even though it may be subject to legal privilege. I do not know how to solve that, but I think it could well be a problem.

The Speaker: Would this be a convenient time for the luncheon suspension?

Mr. D. Kurt Tibbetts: Yes, sir.

The Speaker: Proceedings will be suspended until 2.15 PM.

PROCEEDINGS SUSPENDED AT 12.47 PM

PROCEEDINGS RESUMED AT 2.39 PM

The Speaker: Please be seated. Administration of Affirmations or Oaths. The administration of Affirmation to Mr. Donovan Ebanks, MBE, to be the Acting First Official Member.

Mr. Ebanks, would you come to the Clerk's table, please.

ADMINISTRATION OF OATHS AND AFFIRMATIONS

OATH OF ALLEGIANCE Mr. Donovan W.F. Ebanks, MBE

Hon. Donovan Ebanks: I, Donovan Ebanks, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her heirs and successors according to law, so help me God.

The Speaker: Please take your seat. I welcome you on behalf of the Honourable House.

The First Elected Member for George Town, continuing the debate.

Mr. D. Kurt Tibbetts: Continuing to air my views on the various sections of the Bill, I would now like to refer to section 10. Without reading what the Bill says, my understanding of this section is that it provides for witness orders which, to my mind, are brow-beatings. It is my understanding that this is not a requirement of the UN Convention. If that is true, it seems that there is a fundamental change which allows what legal minds call 'compulsory evidence' to assist in these foreign investigations when the same would not, to my understanding, be allowed for investigation locally. The way I understand it, it seems that there are no rights to cross-examination for whoever the target of the investigation is, and it seems to introduce some form of Grand Jury procedure without any protection whatsoever.

I think the very least that should happen is that there should be some requirement for the country requesting the investigation to undertake not to prosecute anyone who gives this evidence. It could well be a case of an employer/employee situation, where the employee of a commercial bank has to give evidence. While that person may be simply doing his job, who knows where it might take him. That has to be a real fear.

I mentioned costs to the country. What I failed to mention then (but will now) is that there does not seem to be any protection, in respect of costs, to people becoming the subject of an order who will quite likely incur administrative and/or legal costs. There are more chances than not that local people will have to be involved when such requests are made, depending upon where the requests are directed and what information is given. It is quite likely that Caymanians may be subjected to these costs. We need to understand this now, because while it may seem far-fetched, it could well become the normal routine for our people employed in a specific industry having to pay all kinds of costs with no chance for reimbursement. I believe that needs to be addressed.

Let me make it clear that I do not have any problems with the support which the Minister for Health gave to a certain section of this Bill. Let me also make it very clear that I am not suggesting for one moment that the Cayman Islands should not do everything possible, within reason, to ensure that money laundering and ill-gotten gains do not invade our territory. But I think that while we are doing everything we can to prevent that, we must ensure our own survival at the same time. So it is ludicrous for me to be hell-bent on making sure that I do

what is right on the one hand, and then expose myself to the killing fields. I hope those in here are prepared to understand that position and accept it.

The Convention and its 34 Articles have been (shall I say?) passed on to us. I accept that as a British Dependent Territory it is something we have to accept. But I find many areas unacceptable in the way they have been presented. I cannot support this Bill as it is. The only possible chance for me to even think of supporting it is if everything I have mentioned is corrected. I will see what is and what is not.

I have been of two minds as to whether I should say what I am about to, but I have decided to say it. Regardless of what positions the Members of this Honourable House decide to take, I think that this is one situation we have to think very carefully about. I firmly believe that what I have stated here today are the thoughts of several people who cannot say so. Whatever it costs me, I have said it. I trust that the Backbench, especially, will understand and accept not just their responsibilities as representatives of the people, but their responsibility for the safety and well-being of the Cayman Islands. I hold true, standing here, that if this Bill is accepted as it is, that somebody is blinding their eyes to the truth.

I will be patient and listen to the Honourable Mover, who I am sure is anxious to wind up; and I will hear what is said regarding the various areas that I and others have exposed. But I want to place on record that getting my support on this Bill will be tough going.

Thank you, Mr. Speaker.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

(2.48 PM)

Hon. Truman M. Bodden: This Bill implements a 1988 United Nations Convention against illicit Traffic in Narcotic Drugs and Psychotropic substances. The Convention has been ratified and accepted by over 150 countries in the world large and small. It deals with narcotics, not even crimes generally. It is purely a Convention which came in 1988, geared to deal with illicit trafficking of narcotics.

I think that we have to cut through a lot of this talk and ask ourselves: what is this House passing? It is passing a 1988 Convention to stop the trafficking in narcotic drugs and psychotropic substances. What is the public policy of this country? That was one of the questions addressed by one of the Elected Members for George Town. The public policy of this country is that we are against narcotics and illicit trafficking of narcotics. The principle is very clear. We must send a message to the world that we are not going to allow the illegal trafficking of drugs in this country.

This is an 1988 Convention which applies to us quite rightly because this country is not one that is holding out to the world that we are prepared to hide the proceeds of narcotics. We are not prepared to assist narcotic traffickers in this country and we must take a stand against

drugs—not just in the Cayman Islands, but we must take our stand against drugs in the world as a whole. If we fail in that, then I believe that the very foundations of society within this country will crumble.

I would say that possibly 80% of this Bill which, by the way, was published on the 27th April in a green copy. There were a few amendments made in this new Bill and I know that several Members made a lot of that. But this Bill was published in its green form on the 27th April, 1997 and had been put out as a white copy to the public several months before that. This is not new to this Legislative Assembly. With the exception of the change of name and some of the amendments made to it, the public has had four month's notice, perhaps more. It should not be confused with earlier Laws, such as the Mutual Legal Assistance Treaty, or the Proceeds of Criminal Conduct Law.

The Proceeds of Criminal Conduct Law does not deal with narcotics because it was specifically kept out and is dealt with in this Bill. It is also dealt with in the other drug laws that are enforced.

It seems that much has centred around the question of the Honourable Attorney General being the Central Authority. I do not intend to spend a lot of time, but I would like to point out a few things on this.

There is a difference between the appointment of a person in his normal capacity and when one exercises one's duties in a different capacity. Much has been made of the Mutual Legal Assistance (United States of America) Law of 1986. I would just like to read what Article 4 states to set up the Central Authority. **“For the purposes of Article 2 the Cayman Mutual Legal Assistance Authority should be the Chief Justice who shall exercise his functions under the Treaty and this Law, acting alone and in an administrative capacity or another judge of the Grand Court designated by the Chief Justice to act in his behalf.”**

When he acts as the Central Authority, or as it is referred to here, the Mutual Legal Assistance Authority, he acts not in his capacity as Chief Justice of the Cayman Islands, or as judge of the Grand Court, but he acts in an administrative capacity. That is quite right. So, we are not appointing the Grand Court of the Cayman Islands as the Central Authority. I think that is the first point that has to be made.

In this Bill, while the Honourable Attorney is named as the Central Authority, he too holds that position, as does the Central Authority under the other Law, in an administrative capacity. Applications have to be made to the Grand Court as a 'court.' There is nothing wrong in principle with this. If either of those persons as a Central Authority was usurping or taking over, or derogating from the main powers of the court, then I could see where that objection could well be taken in the light that it has been. But this has materially changed. Now, the position is such that the Attorney General will make a decision whether or not the application will be made to the court or not. That is no different than it has been for the 20 years I have been in Government, since 1976 when these matters were handled in an administrative way without any legal

framework, when they were handled under the Confidential Relationships Law.

In instances where the Attorney General is involved, there are certain executive ways you can have openings under the Confidential Relationships Law. He makes a decision whether an application goes on to be processed through the court or not. I do not see a problem with this as it is now set out. It would have been different if the Attorney General, rather than exercising administrative powers, was exercising the powers of the court.

I take the point raised by Honourable Members that we have had a lot of legislation coming in relation to confidential relationships. Yes, it has been heavy going and is very complex. But I have no worry with this Bill. I do not think it is, as the Third Elected Member for George Town mentioned, related to public policy, with the Attorney General being judge and jury. That is really not the case.

By the way, it has nothing to do with taxes whatsoever. In fact, it has nothing to do with anything other than narcotics.

I think it is good that Members of this House question complex Bills, such as this, when they come up. If they are not proper when passed we could have some damage, but when dealing purely with narcotics rather than the wider spectrum of the legal framework, it is less worrying. What I would say to the First and Third Elected Members for George Town, if they really would like to see what one of the widest and most worrying (looking at it from our point of view) extensions of the drug criminality principle—which is basically, what is a crime here is a crime in the United States—look at Article 19 over the following four pages. They will see crimes referred to here which do not exist in the Commonwealth—never have and probably never will. This Bill (The Mutual Legal Assistance (USA) Bill, 1986, extends to this country for assistance crimes that are purely and peculiarly those of the United States of America. For example, racketeering, which is a crime in the United States that basically sweeps us nearly any and everything one can do down to the collection of unlawful debts. That is extremely wide.

If you look at the way it is drafted, if you look at the extensions set out in that relating to all sorts of things, even basically corrupt practices in other countries where the United States has no jurisdiction, it is extremely wide. This Bill only deals with narcotics and the psychotropic substances.

I really would not like to go beyond this because I believe that the main thrust of Members was to query some of these. I know that there was questions asked by the Third Elected Member for George Town regarding 3(h) and 3(i). What this says is that: **“Mutual legal assistance in criminal matters specified in Article 3 (1) of the Convention may be requested for any of the following purposes (h) immobilising criminally obtained assets;”** Surely we want to stop that in this country. We want to immobilise criminally obtained assets. Item (i) is “assisting in proceedings related to forfeiture, restitution and collection of fines.” This has been amended.

These are all areas that are dealing with one of the most important conventions in this country which is narcotics. I do not mind publicly saying that when it comes to drugs I am prepared to take whatever stand I feel is necessary. I am prepared to take whatever stand, whether it is harsh or not because these are people who bring death to our children. We are not playing with a simple criminal—we are playing with people who bring death to your children, the children of this country and the people of the world. Whatever steps we have to take to attack the illicit trafficking of narcotics, whatever it takes for us to stop the proceeds of crime relating to narcotics and crime generally, we must take it. If we do not do so, I believe that our Christian community which has been preserved over the years on proper principles will crumble.

If this was dealing with a subject other than drugs, then I could have some sympathy for some of the things put forward. When it comes to drugs, our position cannot be too harsh. We must take a position and tell the world that we are not going to hide narcotic money in this country; we are not going to assist drug traffickers and that has to be the position that will allow this country with its Christian principles to survive and for my children, your children and the children of this country to be free from drugs.

The Speaker: Does any other Member wish to speak? (Pause) If not, would the Honourable Second Official Member like to do his winding up?

(3.07 PM)

Hon. Richard H. Coles: Thank you, Mr. Speaker.

I would like to begin by commending those Members who have spoken in this debate on the manner in which the debate has been conducted. I think it is right and proper that a complex and serious piece of legislation like this should be debated fully; should have its clauses addressed in some detail, which I know can sometimes be difficult for others who are listening. But it is a very important function of this House that legislators go into the details of a Bill such as this, questioning and examining. I commend those Members who have obviously taken considerable time and trouble to go through the Bill in detail and come up with the questions and posed concerns that they have.

We have heard considerable reference to the Mutual Legal Assistance Treaty with the United States, and the Proceeds of Criminal Conduct Law—both of which are Laws dealing with, in particular, anti-money laundering provisions. Questions were posed asking if this type of legislation is good for business in Cayman. Cayman is a very successful financial centre and nobody—least of all, me—wishes to see anything put forward that could in any way jeopardise that business and the future of Cayman. So it is a very good question to pose.

But I think the answer is very clear. In many ways the Members who debated this Bill have given that answer themselves in the various quotations they have

read, and from the extraction from the Evaluation Report from the Caribbean Financial Action Task Force.

The fact that we have the Mutual Legal Assistance Treaty and Proceeds of Criminal Conduct Law is the reason we get the accolades Cayman does get in the financial press. The outside world sees that Cayman is deadly serious in the fight against criminal monies. What is more, it does not just say so, it actually passes and implements legislation that gives effect to this. It is an incontrovertible and inarguable fact that is referred to time and time again in the Press. I would say that it is one of the most valuable marketing tools that the providers of financial services in Cayman have.

The investors who use Cayman to an ever increasing extent do not want to do business in a jurisdiction that welcomes drug traffickers. They do not want to do business in a jurisdiction that tolerates money laundering. They do not wish to say to their business associates, *'We do our business in the Cayman Islands,'* only to have someone retort to them, *'What? You do it there? Those people just harbour money launderers.'* They want people to say, *'Oh! You do your business in Cayman? Obviously, your business is good, legitimate business.'* That is the reaction they want, and that is the reaction they get. It will continue to be so, provided that we stick to this type of legislation that sends the clear message: *'If you have dirty money, if you have illegal proceeds, if you have the proceeds of drug trafficking, do not come to the Cayman Islands with it.'*

I would say that this legislation is very good for business in Cayman; and has proved to be so over a considerable number of years.

The Convention which this legislation is implementing (what I have termed the United Nations Vienna Convention) is probably the most significant anti-drugs legislation there is. It has already been ratified and extended to Cayman, therefore, Cayman is already bound by its obligations and terms. We are already committed to offering mutual legal assistance and cooperation in drugs matters in accordance with its terms. That is why we are a party to the Convention. What this legislation does is implement that and allow us to offer that assistance. So, we are already committed and quite rightly so because people would very definitely look askance if Cayman were not a party to this convention. Just about every other country is and there is no doubt that if Cayman was not a party to it adverse reaction would ensue.

Even though it was extended to us at the beginning of 1995, we have been complying with all of its terms apart from the implementation in this Bill before us today. For many years, on a purely voluntary basis, we have shown that we are good world citizens. We have complied with the terms of the UN Convention despite the fact that it had not been formally extended to us at that time. It has now been extended to us, and if we are to honour our obligations under it (as we wish to do), we have to pass legislation which allows us to implement the assistance.

There is something else that I should say, because it has been raised. It has been suggested that Cayman is

leading the way, once again, pushing back the bounds by passing this legislation. But, on this occasion that is not true. In fact, Cayman is catching up by passing this legislation (which I hope we will do today). The other jurisdictions in a similar position to ourselves already have this legislation in place. We need to get our compliance in order. So, we are not going far beyond the bounds of anywhere else, we are catching them up in this particular area.

The Third Elected Member for George Town mentioned some concerns of the Law Society, saying that they did not support the Bill. I am sorry to hear that. In fact, a considerable amount of consultation took place with the private sector commencing at the beginning of the year. It was in order to allow the fullest possible consultation that the previous Bill was withdrawn and this Bill was introduced at this meeting. I would not want Members of the House to think that reflects across the board what the financial sector in Cayman thinks of the legislation before you today.

The Caymanian Bar Association wrote to me indicating that their council was satisfied with the Bill; in fact, they proposed an amendment to clause 2(2) which is one of the amendments we have before us which will be considered at the Committee stage. That was the only amendment they proposed, they were otherwise satisfied.

I also have a letter from the Cayman Insurance Manager's Association saying that they had reviewed the Bill and had no further comments, and approved it.

Mr. Linford A. Pierson: Mr. Speaker, on a point of clarification, if the Member would give way.

The Speaker: Please continue.

Mr. Linford A. Pierson: I wonder if the Honourable Member would clarify if the information I gave in this House that the Law Society had not supported this, was the first time he was hearing this. From his statement it would seem that this information first came to his notice when I mentioned it here in this House. I really do not believe that to be the case.

The Speaker: The Honourable Second Official Member.

Hon. Richard H. Coles: I was still working my way through these letters. No, I had a letter from the Law Society which I was about to refer to. I was coming to the fact that I had a letter from the Law Society on 5th June which raised certain issues, all of which have been covered in the debate over the last two days, and which I immediately responded to. I addressed those issues and will continue to address them as I go through my debate.

No, I certainly was not inferring that the first time I knew of any concerns of the Law Society was in this debate. It was one of the letters that I have here. All I wanted to do was not to give Members the impression that the entire financial industry was against this type of legislation, because it certainly is not.

Many of the other associations have not written in one way or the other, and that is exactly as I would expect because very often people do not put pen to paper unless there is something specific they want to say.

I think the easiest way is for me to go through this point by point. Let me first explain that a number of Members have raised the same issues. I do not wish to duplicate what I am saying, so where those issues appear to me to be the same, I will just address them once. If I do not mention a particular Member's name, I hope he will forgive me.

The first issue raised was in the Memorandum of Objects and Reasons. Although I did use that, because it is an easy way to see what the Bill means, it is a little dangerous when we talk about details to look at the Memorandum of Objects and Reasons. As Members of this Legislative Assembly know, when this Bill become Law, the Memorandum of Objects and Reasons falls away. So, I think we need to look at the Law itself. So, I am not starting at the very first section or clause, I will start at clause 3. This deals with the purposes for which assistance can be offered. The question has been raised, whereas paragraphs (a) through (g) follow exactly Article 7 of the Convention, paragraphs (h) and (i) appear to be additional. The question was asked why these were included additionally. You will also recall that the final three or four words of paragraph (i) are going to be deleted at Committee stage.

I can give you a number of reasons why these were included. We thought about it before including them. First of all, these are included in the Mutual Legal Assistance Treaty with the United States. They are part of the assistance we can offer the United States under that Treaty. They are orders that are already attainable under our existing Misuse of Drugs Law, so we can apply to the court for them.

It seemed only right to add them to the list of purposes for which we could offer assistance, as the Honourable Minister for Education, Aviation and Planning has pointed out. Why would we not want to immobilise criminal assets? Why would we not want to forfeit the proceeds of crime, when it is drug trafficking? Surely, that is exactly what we would want to do, and we have the ability to do it already. You will notice that this Law does not create or implement the means to immobilise assets or forfeit assets because we already have that under the Misuse of Drugs Law. It seemed to me to be the right thing to put in. We should be offering that assistance.

Although it is not one of the specific items in Article 7 of the Convention (which goes from (a) to (g)), you will recall that Article 7 says: "**The Parties shall afford one another, pursuant to this article, the widest measure of mutual legal assistance in investigations, prosecutions. . .**" So, as we are able to offer that assistance anyway, under our existing legislation, it seemed only right to me to include it in here. That is why I have included it.

A question was asked by a number of Members about why the Attorney General is the Central Authority. A point that seemed to be made was, (1) is the Attorney

General a political animal, subject to political influence and not really independent; and (2) is he in some way usurping the function of the court, the judge and so on. Well, I would like to refer Members to the Constitution of the Cayman Islands, in particular section 16(a) which actually deals with the powers of the Attorney General. It deals with the Attorney General's powers in relation to undertaking criminal proceedings, prosecuting and so on. It is a very important part of the Attorney General's role, one that I take extremely seriously.

The independence of the Prosecutor (which is what this means) is one of the fundamentals of the criminal justice system. It is just as important as the independence of the judiciary. It was obviously felt by those who prepared this Constitution that it was so important that it should be inserted into the Constitution, and it has been. At the end of this important section (subsection (5)) it says: "**In the exercise of the powers conferred on him by this section, section 24 or section 25 of the Constitution the Attorney General shall not be subject to the direction or control of any other person or authority.**" In other words, the Attorney General does not defer to anybody when it comes to decisions on prosecution and law enforcement.

There is no question of political interference in these matters and the Constitution ensures that there is none; specifically saying so. I hope that allays those concerns. This Bill ensures that the only orders that can be made under this Bill are made by a Grand Court Judge. Not even just by a court. There is no question of this being dealt with by a summary court. It has to be a Grand Court Judge.

The Attorney General's role as the Central Authority is like a receiving post box, receiving actual requests, processing them, ensuring they comply with the terms of the Convention as set out in this Bill, so that we are not wasting judicial time by putting matters forward that clearly do not comply in the first place. Then, to present correctly and fully in front of the judge the application for whatever order is required so that the judge then makes the order and will ensure that any information he requires is before him. It is the duty of the Crown in this capacity to always put the information before the court. This is a slightly different system that operates under the English Criminal Justice System, which we have in Cayman, and it differs from the American Criminal Justice System.

There is a duty for the Crown to present all relevant facts before the judge and the court. So everything that is relevant to the application will be before the judge and he will make the decision. It will be his order, not the order of the Central Authority.

What it means is that because the Central Authority is the Attorney General there is another safeguard, because the Attorney General looks at the papers when they first come in, assesses them and they have to get past that test before they ever get to the Grand Court Judge. Then it is entirely a matter for the Grand Court Judge whether the order being sought is granted or not.

The question of public policy was raised, but I think the Honourable Minister for Education, Aviation and Plan-

ning has really dealt with that. I can refer to the fact that one of the reasons that the Authority may refuse to comply with a request is if he is of the opinion that the request is likely to prejudice the security, public order, or other essential interests of the islands. I think that covers a similar point as well.

I was referred to clause 18, the question of confidentiality. This came up in a variety of guises too. Of course, generally speaking, when a request is made from one jurisdiction to another, confidentiality is important. The requesting country does not normally want details of the request to be made public. Very often it is asked that the request remain confidential. If that is so, then the Authority can agree that it be kept confidential for a period up to 90 days. That does not prohibit someone from mentioning it in instructing their attorney, but it prevents them from going public with the information.

Confidentiality is also contained in clause 6. This is confidentiality on the other side. The requesting party can only use the material or information for the purpose for which it was requested. In other words, they request it for a specific purpose and it can only be used for that specific purpose unless the Authority states otherwise. Before the Authority can do so it has to apply to the court for directions from the court on that particular matter. So, that ensures that information could not be requested for one purpose with the requesting jurisdiction using it for something entirely different. It can only be used for the original purpose. Under no circumstances will that purpose involve taxes. This relates entirely to drugs and drug trafficking, not even to other serious crimes, just drugs and drug trafficking.

Going back to clause 2(2) which was referred to by a number of Members, you may recall that this is a clause which is also subject to a Committee stage amendment, the amendment proposed and accepted by me from the Caymanian Bar Association.

Clause 2(2) says: “. . . **this Law [Misuse of Drug (International Co-operation) Law] applies to the offences specified in Article 3(1) [of the Convention]**” which we have been obliged and have made offences in Cayman under the terms of the Convention as are “**offences of the same or a similar nature under the Laws of the Islands.**” You may have heard me refer to this previously when we debated other Bills as the “dual criminality test.” It means that for a criminal offence to be caught by this Law it not only has to be an offence in terms of being one of the offences set out in the Convention, but it also has to be an offence in Cayman. If we needed any other confirmation, that also strikes out taxation matters because we do not have tax offences here in Cayman.

Members were a little alarmed when they saw the list of approximately 150 countries who are parties to this Convention to whom we, under its terms as another party now, are obliged to give assistance to, because some of those countries are not the place one would go for a holiday. But, if you stop to think twice about this, it is a very good thing that these countries are a party to this convention because the countries that have drugs problems are

the very countries that need to be signed up to an anti-drugs convention.

If the countries with drugs problems (and some of them have terrible drugs problems) were absent from this convention, what use would the convention be? Very limited. The convention needs to have all of these countries as committed signatories to it. They need assistance. They have a terrible problem and we certainly do not want to be a part of that problem. We want to be part of the solution. So, it is not surprising that these countries are on that list.

I can understand Members' balking a bit when they see some of the names there, but that is why we have the safeguards built into the convention set out in the Bill before us. That is why the assistance is for certain specific purposes. That is why we say that a request under section 5 of the Bill must contain a considerable amount of information, so that we can make sure that it is not just a fishing expedition, but a genuine request for assistance in respect of a criminal matter where there is some hard evidence they can put before us.

That is why under section 8 we give circumstances in which the Authority can refuse to comply with a request and decline to offer that assistance. That is why we have all these things in here—to make sure that if a country on that list was not producing a request in a genuine manner, we would be able to deal with it. We have the means to deal with it here.

If I have dealt with these correctly I hope I have covered the points raised by the Third Elected Member for George Town. I will now deal with the points raised by the First Elected Member for Cayman Brac and Little Cayman.

The Member asked why, unlike the Misuse of Drugs Law, there was not provision for production orders (which in this Bill are contained in section 11) to be made against Government. We did give consideration to that, and we felt that it might look a little incongruous to put it in here. Really, it is only because of this. There is no great mystery to it. Production orders are orders by a Grand Court Judge which compel particular documents to be produced. They would normally be applied for and granted where the court and the applicant were of the opinion that without such a compelling order those documents would not be produced. If the person were prepared to produce them voluntarily there would be no need to go to the court and ask for that order.

Because the Government has already become a party to this Convention and is therefore obliged to honour its terms, clearly, the Government is not going to decline and refuse to produce documents which are correctly capable of being produced under this legislation. It seems odd and might sound strange that Government would be subjected to a production order. But I have no objection to that going in. I cannot think of any circumstances where a production order would be requested against Government, because I cannot think of any circumstances where Government would refuse. If it were an issue where Government did not wish to volunteer the

documents then the Central Authority would not be putting it forward in the first place.

That was the reason behind it and it was a drafting decision. It was felt to look a little incongruous to put it in. But that is a matter we can certainly discuss in Committee stage, and if Members feel that it is important to put it in, I certainly do not mind. That is the only reason it was left out.

The next point was in that same section 11. The lady Member referred me to subsections (9) and (10). These are what we call 'tipping off' offences where an investigation could be sometimes fatally prejudiced by somebody tipping off the villain that a particular investigation was taking place, so allowing that individual to move his assets elsewhere outside the jurisdiction to escape the Law. That is why we have a tipping off offence.

This is not a novel concept in this Law. It is in the Misuse of Drugs Law and in the Proceeds of Criminal Conduct Law.

I think the question the lady Member was asking was that it refers in here to an individual knowing or suspecting that a request has been made, or that an investigation into any matter to which a request is made is taking place. The first question was, everything else refers to a 'request,' why are you suddenly introducing an investigation? Very often the request itself is being kept confidential. It is not necessary that the individual would know that a request had been made, but he would certainly know that an investigation was underway because that is the bit he is tipping off. So, we would not wish him to be able to avoid this offence by saying, "Oh, I knew there was an investigation, but I did not know there was a request." He probably would not know there was a request. So, that is not really the issue. The issue is, if he knows that an investigation into drug trafficking is going on, and he then goes and tips off the subject of that investigation to enable that individual to move his assets to another jurisdiction, then we want to catch him.

She went on to say. . .

The Speaker: Honourable Member, can we take a break, or would you rather continue?

Hon. Richard H. Coles: Perhaps I can finish this section.

The Speaker: Certainly.

Hon. Richard H. Coles: There is a defence to that allegation, which is, that that individual did not know or believe that the disclosure was likely to prejudice the investigation. The lady Member said that we had not put the request in there, we have only said that the defence is that it would not prejudice the investigation, why do you not put in the request as well. The answer is that I am quite happy to put that in to mirror it up with the offence. There was nothing deliberate about that, and I am quite happy to put that in and deal with that at Committee stage.

Mr. Speaker, I have concluded that section.

The Speaker: Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 3.49 PM

PROCEEDINGS RESUMED AT 4.30 PM

The Speaker: Please be seated.

We have passed the hour of 4.30. I will entertain a motion for the adjournment of this Honourable House.

ADJOURNMENT

Hon. Truman M. Boddin: Mr. Speaker, I move the adjournment of this Honourable House until 10 o'clock tomorrow morning.

The Speaker: Before putting the question, I will ask Honourable Members to attend an information meeting in the Committee Room during the morning break tomorrow to discuss the Annual Parliamentary Prayer Breakfast.

The question is that the House do now adjourn until tomorrow morning at 10 o'clock. I shall put the question. Those in favour please say Aye... Those against No.

AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned.

AT 4.31 PM THE HOUSE STOOD ADJOURNED UNTIL 10 AM THURSDAY, 19TH JUNE, 1997.

**EDITED
THURSDAY
19TH JUNE, 1997
10.27 AM**

The Speaker: I will ask the Fourth Elected Member for West Bay to say prayers.

PRAYERS

Mr. D. Dalmain Ebanks: Let us Pray.

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

Bless our Sovereign Lady Queen Elizabeth II, the Queen Mother, Philip Duke of Edinburgh, Charles Prince of Wales, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated.

Proceedings are resumed. Presentation of Papers and Reports. The Traffic (Speed Limits) (Cayman Brac) Regulations, 1997. The Honourable Minister for Tourism, Commerce and Transport.

**PRESENTATION OF
PAPERS AND REPORTS**

**THE TRAFFIC (SPEED LIMITS) (CAYMAN BRAC)
REGULATIONS, 1997**

Hon. Thomas C. Jefferson: I beg to lay on the Table of this Honourable House, The Traffic (Speed Limits) (Cayman Brac) Regulations, 1997.

The Speaker: So ordered. The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: These regulations were requested quite some time ago by the District Administration of Cayman Brac. The normal way in which these regulations are made for speed limits, where they begin and end, is by reference to grid marks. This is done by the Lands and Survey Department.

I believe that the average person reading this regulation will have little knowledge as to where it begins and ends; but it is the intention of the Ministry (and it is in the works) to make a proper press release on this regulation to indicate to members of the public exactly where it begins and ends.

For example, my understanding is that the speed limit referred to in regulation 3, the maximum speed limit of 25 MPH is, in essence, extending the speed limit west of the Government Administration Building in Cayman Brac. That is one reference that we know. I repeat that our intention is to do a press release so that the public will know exactly where these speed limits begin and end.

The Speaker: The Cayman Islands' National Strategic Plan for Health - 1997 -2001. The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

**THE CAYMAN ISLANDS' NATIONAL STRATEGIC
PLAN FOR HEALTH 1997-2001**

Hon. Anthony Eden: I beg to lay upon the Table of this Honourable House, The Cayman Islands' National Strategic Plan for Health - 1997 -2001.

The Speaker: So ordered. The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: In April 1994 the Executive Council approved the proposal by the newly created Ministry of Health to embark upon a strategic planning exercise for the Cayman Islands Health Services.

The primary objectives were to set clear directions for the delivery of health care, detail the cost of implementation over five years and to elicit support for the proposed plan through the involvement of every sector of the resident population of the Cayman Islands.

The Health Strategic Planning Team representing a wide cross section of professionals and non-professional groups established the mission statement, a belief statement, strategic parameters, an objective and eight strategies which will guide the delivery of health services over the next five years of the proposed plan. A total of 63 ac-

tion plans were produced by action teams working on both Grand Cayman and Cayman Brac.

Significant elements of the proposed Cayman Islands National Strategic Plan for Health are as follows:

- . Provision of community based health care services.
- . Provision of advanced technology to support the quality of the service.
- . Inclusion of health services personnel in decisions affecting them.
- . Improvement of communications among all health services personnel.
- . Health promotion and the responsibility of individuals to contribute to personal and community health.
- . Promotion of workers' health and safety.
- . Procedures to minimise undue interference in the functioning of the health services.
- . Marshalling of financial, physical, human, community and technological resources.
- . Development of collaborative process between public and private health sectors.
- . Establishment of performance indicators to measure important aspects of health care provision.
- . Provision of the highest quality of services possible.
- . Ensuring the safety and effectiveness of pharmaceuticals.
- . Enhancement of skills of personnel to enable them to adjust to changing requirements.
- . Improvement of morale of health care providers.
- . Improvement of the image of the health care services.
- . Expansion of public health programmes focusing on prevention, rather than cure.
- . Establishment of standards for the practice of alternative non-traditional homeopathic medicine in the Cayman Islands. It should be noted that some aspects of the programme are already in progress. Two obvious examples are the construction of district health centres and the new Cayman Islands Health Services Complex. Others include expansion of public health programmes focusing on prevention rather than cure as a cost effective measure.
- . Improvement of the image of the health services by a reduction in waiting time at the hospital brought about by increased clinic hours.
- . Recognition of meritorious services by health care workers.
- . Provision of staff training in interpersonal skills.
- . Drafting of a health services administrative handbook.
- . Increased involvement of health services staff in promoting the health services. *Examples: Batabano and the Cricket Carnival which proved successful.*
- . Assignment of health professionals, when requested, to provide expertise and support for non-governmental organisation programmes.
- . Purchasing of new medical equipment with a view to lessening the need for overseas referrals. This process is already well underway.
- . Provision of a pension plan and health insurance scheme. The former has been addressed by the Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture, and the latter by my Ministry.
- . Leasing out of the hyperbaric chamber operation to private enterprise subject to Government regulatory control. This has already been accomplished.
- . Formulation of a draft national plan for workers' health.
- . Draft protocols for the acceptance by the health services department of gifts, donations, contributions and requests earmarked for the department's use.
- . Appointment of a biomedical engineer to ensure safety, efficiency and maintenance of medical equipment. Such a person is now in place.
- . Implementation of a 9-1-1 Emergency System. This has already been addressed by the Ministry for Agriculture, Environment, Communications and Works.

A financial plan for the implementation of the strategic plan for health has been prepared and the total cost to Government has been identified as follows: Capital Expenditure: \$38,135,700, includes \$960,200 for Capital Acquisitions. Recurrent Expenditure: \$29,669,889.

It should be noted that the non-recurrent total includes substantial expenditure which would be incurred by major capital projects, the Cayman Islands Health Services Complex and the construction of six district health centres. The preceding capital expenditure totals approximately \$32 million to \$33 million of the overall \$38 million. The recurrent total includes the significant costs of staffing these greatly expanded facilities. To offset this somewhat, according to estimates provided by the Economics and Statistics Office revenue collection in the year 2001 is expected to be in the region of \$25 million.

I am very pleased to be able to table this important document today. I had hoped to do so last year, but the very great pressure of the work in my Ministry did not allow it. I would like to express my sincere gratitude to the members of the Health Strategic Planning Team, the Action Team Leaders and all those who participated in any way, both on Grand Cayman and on Cayman Brac. Everyone did an excellent job in the preparation of the Strategic Plan which will guide the delivery of health care services in the years ahead.

I would like to specifically thank the Permanent Secretary and Senior Assistant Secretary in the Ministry for the many long hours they have spent on this; and for their dedication and their sweat and tears which have gone into this. As I have already indicated, some aspects of the plan were so significant and pressing that the Ministry and Health Services Department decided to proceed with implementing them. In one year's time, the Planning Team will meet again to carry out an annual update. I

know that when this takes place it will be found that implementation of the plan is well underway.

I conclude by thanking you for allowing me to table the National Strategic Plan for Health and I commend it to all Members of this Honourable House and the public. I encourage them to familiarise themselves with its contents.

The Speaker: Questions to Honourable Members/ Ministers. Question No. 111, standing in the name of the Third Elected Member for Bodden Town.

QUESTIONS TO HONOURABLE MEMBERS/MINISTERS

QUESTION NO. 111

No. 111: Mr. Roy Bodden asked the Honourable Third Official Member responsible for Finance and Development if there have been any recent personnel changes at the Cayman Islands' Stock Exchange.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: As was published via Government Information Services in April, a Chief Executive was appointed to succeed a consultant, whose tenure under a consultancy with Government was completed.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member state if this change means a change in the philosophy or operational objectives of the Stock Exchange.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: This change is to continue the original set up objectives of the Stock Exchange.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Is the Honourable House to now understand that the Stock Exchange has its full staff complement and, barring any unforeseen circumstances, that there is unlikely to be any further change in personnel?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: There are several reasons to give this assurance. For the time being we have the key

personnel and with the growth that we anticipate as the Stock Exchange continues to grow, more personnel will be added.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member give us some information regarding Caymanian trainees for the Stock Exchange?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: The staff complement at the Stock Exchange provides for six persons to be employed. We have four senior management positions; the chief executive officer, the head of listing, the head of surveillance, and the head of technology. These individuals were brought on board because of their relevant experience to get us started. We have two Caymanians currently employed; one in the listing department and one as an administrative assistant.

The Government's objective is to Caymanianise all sections of Government. This will be achieved in time and we are now in a start-up mode. Once the Stock exchange grows, our prime consideration will be to have Caymanians on board. We will also take time out to identify those persons who will, in time, succeed the senior managers within the Stock Exchange.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Is the Honourable Member in a position to say if there is any plan or time table as to when we may reasonably expect that some Caymanians will be recruited to take over administrative positions?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: No. A definite timetable cannot be given at this time. The Stock Exchange commenced operation effective 1st January. We are still putting in place the administrative structure. We need to have experienced persons at this time. We have acquired the expertise of four persons to head positions in various areas as mentioned. We are bringing Caymanian staff on board and this will be determined by the volume of business that takes place. We have two Caymanian officers at this time and hope to identify Caymanian trainees to assume the various positions that will be created as a result of growth. Eventually we hope to have a fully Caymanianised Stock Exchange.

The Speaker: If there are no further supplementaries, the next question is No. 112, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 112

No. 112: Mr. Roy Bodden asked the Honourable Third Official Member responsible for Finance and Development what regulations exist to ensure that no insider trading occurs at the Cayman Islands Stock Exchange.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

DEFERMENT OF QUESTION NO. 112**Standing Order 23(5)**

Hon. George A. McCarthy: In accordance with Standing Order 23(5), I would like to ask that the answer to Question No. 112 be deferred until a later Sitting, or answered in writing is the House concluded its business.

The Speaker: The question is that In accordance with Standing Order 23(5), the answer to Question No. 112 be deferred until a later Sitting, or answered in writing is the House concluded its business. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. QUESTION NO. 112 DEFERRED UNTIL A LATER SITTING OR TO BE ANSWERED IN WRITING IF THE HOUSE CONCLUDED ITS BUSINESS.

The Speaker: Question No. 113, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 113

No. 113: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister for Agriculture, Environment, Communications and Works to state whether or not any claims made by landowners, in Little Cayman, who were adversely affected when the Land Adjudication Tribunal awarded areas of swamp land and interior cliff land to the Crown in the 1970s, have been reviewed by Executive Council since the unanimous passing of Private Member's Motion No. 18/87.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Yes, claims have been made by landowners in Little Cayman since 1987.

SUPPLEMENTARIES

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister say if these claims have been settled? If not, an undertaking to that regard would be acceptable.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: It is my understanding that since 1987 the following parcels have been transferred from the Crown to private individuals: Block Parcel 87A-41 and 87A-1 Albert F. Ryan and Brenda Dredge Foster.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister give an indication as to how many of these claims may still be outstanding?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: The register from the Lands and Survey Department indicates that there are outstanding claims.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: The question was, can he say how many?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: There answer is no.

The Speaker: If there are no further supplementaries, the next question is No. 114, standing in the name of the First Elected Member for Cayman Brac and Little Cayman

QUESTION NO. 114

No. 114: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister Responsible for Agriculture, Environment, Communications and Works to (a) provide a list of all road works on Cayman Brac and Little Cayman undertaken by the Cayman Brac Public Works Department since 1st January, 1997 to the 23rd May, 1997; and (b) to provide a breakdown of cost on each of these road works for the said period.

The Speaker: The Honourable Minister Responsible for Agriculture, Environment, Communications and Works.

Hon. John McLean: A list of road works undertaken from January to May 23rd and a breakdown of the costs is as follows: Capital Works, Southwest Development Road,

Cayman Brac - expenditure, \$118,480; Guy Banks Road, Little Cayman - \$161,432.53.

SUPPLEMENTARIES

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister say whether or not this Southwest Development Road and Guy Banks Road were roads that were requested by Cayman Brac MLAs, as is the normal custom?

The Speaker: The Honourable Minister Responsible for Agriculture, Environment, Communications and Works.

Hon. John McLean: In the Estimates under Head 34-452-2, the list of roads for Cayman Brac and Little Cayman for the amount of \$400,000, reads as follows: "**Construct and repair the following roads on Cayman Brac: Indie Christian Road and Lindell Frederick Road in Spot Bay; Davelee Tibbetts Road & Winnie Scott Road at Creek; Eli Scott, Huffman Anderson and Foster's Roads at Watering Place; Myrna Pouchie and Julia Ann McLaughlin** [*and let me repeat that—it was not Julianna O'Connor!—“Myrna Pouchie and Julia Ann McLaughlin...”*] **Roads at the Bight; Watering Place Bluff Road and Peripheral Bluff Road.**"

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Are you in a position to say when you were first notified of this Southwest Development Road in Cayman Brac, that is, the Peripheral Bluff Road?

The Speaker: The Honourable Minister Responsible for Agriculture, Environment, Communications and Works.

Hon. John McLean: On one of my official visits to Cayman Brac, I became acquainted with the road which the Member is speaking about. I immediately wondered who had authorised it, and upon my return here it was halted until we could find out exactly where it was going. That was my first knowledge of it, and it was my understanding from the Chief Engineer that it was his first knowledge of it.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: I wonder if the Honourable Minister can say if the work on the roads as read out for an expenditure of \$400,000 will now be effected, seeing that the total capital expenditure was almost \$300,000 spent thus far?

The Speaker: The Honourable Minister Responsible for Agriculture, Environment, Communications and Works.

Hon. John McLean: I would have to say to the lady Member that if the additional funds are requested and approved, most definitely we would try to do the work. But it is my understanding that the funds which have been removed from the \$400,000 in question would actually apply from last year's vote to this year's Budget. So, I take it that for us to complete the request as she has made and as I read out, it would be necessary for us to get the additional funds to complete them.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister give an undertaking whereby MLAs will be informed of any further usage of the \$400,000 which was approved by this Honourable House (once it comes to his knowledge because there seems to have been a problem there), so that we will not have to waste our time getting approval for expenditure and then come to find that it is not being used for that?

The Speaker: The Honourable Minister Responsible for Agriculture, Environment, Communications and Works.

Hon. John McLean: As far as road construction and my Ministry is concerned, I would be most happy to continue to inform any Member of the Legislative Assembly. However, I am sure that the lady Member realises that when it comes down to the financing and spending of the money, I have no control over that. But, yes, I will give the undertaking that if certain road works can be done within the funds available at the time, most certainly, I will let them know. (pause) Including Mr. Kurt Tibbetts.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: I wonder if the Honourable Minister can say who makes the request for a change or virement of funds after the Finance Committee approves it?

The Speaker: The Honourable Minister Responsible for Agriculture, Environment, Communications and Works.

Hon. John McLean: As I said earlier, I was not aware of the road in question, nor was my Chief Engineer, so I have to take it that it was actually done through District Administration.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: I guess I should preface my question by saying that I am not trying to beat a dead horse, and I am not trying to allocate blame on

the Honourable Minister, because I think we can take judicial notice as to what has transpired. But, be that as it may, can the Honourable Minister say whether or not he still has responsibility for Cayman Brac and Little Cayman road works?

The Speaker: The Honourable Minister Responsible for Agriculture, Environment, Communications and Works.

Hon. John McLean: Under the Constitution and the instructions I have been given by the Governor, I take it that I should be responsible for road works throughout the Cayman Islands. Of course, as the lady Member would know, there are certain areas that even with responsibility here in Grand Cayman, it seems as if when it is over on the other Islands, it goes haywire. I, too, would like to make sure that we do not have a repeat of something like this because we have also seen it with reference to Planning. I recall very well (I think it was back in 1977), when persons such as Mr. Truman Bodden and I tried to make sure that what applied to Grand Cayman applied to all of the Islands. It was not done then, and I think this is where we need to come to grips with this and make sure that whatever applies in Grand Cayman, applies for the Cayman Islands.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister say if, when these changes are made, that he, as the Minister, or his office, is extended the courtesy of being informed of these changes and who authorised the changes?

The Speaker: The Honourable Minister Responsible for Agriculture, Environment, Communications and Works.

Hon. John McLean: As I pointed out in answer to an earlier question, it was on an official visit to Cayman Brac that I found out about this road. Thereafter we actually put a halt on it until we could make sure what had taken place. As far as who authorised it, I would not like to stand on the floor of this House and say anything more than this.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Seeing that the Honourable Minister is accountable to Parliament, if these kinds of changes are made in complete disrespect for the fact that he is answerable to the Parliament (which I think is most unfair to him), can I get an undertaking that he will let the guilty parties know and, if possible, the House will have to sanction their efforts in all fairness to the Minister who has to account for things for which he gave no permission?

The Speaker: The Honourable Minister Responsible for Agriculture, Environment, Communications and Works.

Hon. John McLean: As my old colleague Jim Bodden used to say, "by God, I tell you that has already been heard." I was very upset about it and I have definitely put on record exactly how I felt about it. As far as I am concerned, I trust it will never happen again.

The Speaker: Before we continue, I would like to get a motion for the suspension of Standing Orders to enable us to continue beyond 11.00 am.

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

Hon. John McLean: Mr. Speaker, I so move.

The Speaker: The question is that Standing Order 23(7) and (8) be suspended to enable Question Time to continue beyond 11.00 am. I shall put the question. Those in favour, please say Aye... Those against, No.

AYES.

The Speaker: The Ayes have it.

AGREED: STANDING ORDER 23(7) & (8) SUSPENDED TO ENABLE QUESTION TIME TO CONTINUE BEYOND 11.00 AM.

The Speaker: The Member for North Side.

Mrs. Edna Moyle: I will give way to the First Elected Member for Cayman Brac and Little Cayman.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: I wonder if the Honourable Minister can say whether or not this is the first time deviation of this nature has occurred during his time?

The Speaker: The Honourable Minister Responsible for Agriculture, Environment, Communications and Works.

Hon. John McLean: I will say that it is probably the first time that we have had such a deviation.

The Speaker: The Member for North Side.

Mrs. Edna Moyle: I wonder if the Honourable Minister will give this House an undertaking that he will now put a policy in place for any matters under his Portfolio, whether it be in Grand Cayman, Little Cayman or Cayman Brac, that such things do not occur until his permission is granted?

The Speaker: The Honourable Minister Responsible for Agriculture, Environment, Communications and Works.

Hon. John McLean: I would like to say that it is not only my Ministry that has such a problem. I know of other Ministries that have had similar problems. As far as mine is concerned, I have tried my best to block that gap. Like all other Members here, I am not satisfied that something like that should have taken place, I have instructed my Permanent Secretary and he has already acted on it. We have put in place what we think will stop such an action.

The Speaker: If there are no further supplementaries, the next question is No. 115, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 115

No. 115: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister for Tourism, Commerce and Transport whether any consideration is being given to amending section 77 of the Traffic Law, 1991, to give the courts discretionary powers in the case of a person who, for proven extenuating circumstances, drives a vehicle, other than an emergency vehicle, in excess of the prescribed speed limit.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: The Government is not presently considering any amendment(s) to section 77 of the Traffic Law, 1991, but is willing to listen to suggestions from Honourable Members.

SUPPLEMENTARY

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Minister state who should suggestions be directed to?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: I would be happy to receive any suggestion on the subject.

The Speaker: If there are no further supplementaries, the next question is No. 116, standing in the name of the Third Elected Member for George Town.

QUESTION NO. 116

No. 116: Mr. Linford A. Pierson asked the Honourable Third Official Member responsible for Finance and Development to state the balances on the following Government accounts as at 31st March, 1997: (i) surplus/deficit account; (ii) general reserves account; and (iii) public debt account.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: The balances on the following Government Accounts as at 31st March 1997 are: (i) Surplus/Deficit Account - CI \$17,579,000.00; (ii) General Reserves Account - CI \$7,601,000.00; and (iii) The Public Debt Account excluding self-financing loans - CI \$47,597,526.00.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Can the Honourable Minister state if whether the surplus and deficit account is a surplus or deficit balance, similarly with the general reserves?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: The balance of \$17,579,000 is a surplus balance, similar to the general reserves.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Is the Honourable Minister in a position to give the comparative balances as at 31st March, 1996?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: The balance at 31st March, 1996 follows: Surplus and deficit account: \$10,099,494; General reserves: \$4,413,371; and the Government public debt excluding self-financing loans : \$40,763,718.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Can the Honourable Minister also state if there are any pending liabilities on the advance account that should be written off against the surplus and deficit account?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: As Members will recall, during the Finance Committee meeting held in March, the question was raised in regard to overseas medical advances and what would be done. An undertaking was given then that that account would be reviewed. The review has commenced. At a point in time (later this year) when it is determined what balances are uncollectable,

they will be brought here for approval to be written off. That would adversely impact the surplus and deficit account.

But, I should point out that the majority of the balance given is recoverable. So, they will continue to be carried as accounts receivable and, in effect, Government assets.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I thank the Member for that comprehensive answer. Can the Honourable Minister state if there are other liability expenses, other than the \$9 million on overseas medical account, which should be written off.

Hon. George A. McCarthy: The remaining balances under the advances account are deemed recoverable. I should point out that balancing the advances account we also have the deposit account balance. We always find that that balance runs in tandem with the advances account. These are obligations due the Government, so, in terms of what may have an adverse impact on the surplus and deficit account by way of having to write off advances, there is also the potential for revenue to be generated from the deposit accounts into general revenue.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Can the Honourable Minister state whether the \$17 million is part of the \$60 million profit we heard about?

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: I am not clear as to what the Member means by a \$60 million profit.

The Speaker: Would you please repeat the question Third Elected Member for George Town?

Mr. Linford A. Pierson: I can discuss this matter with the Honourable Third Official Member responsible for Finance and Development after the break, since he is not clear on this.

The Speaker: The Honourable Third Official Member responsible for Finance and Development.

Hon. George A. McCarthy: I thank the Honourable Member, and I welcome the enlightenment.

The Speaker: If there are no further supplementaries, that concludes Question Time for this morning.

Item 4. Other Business. Private Member's Motion No. 3/97, Independent Evaluation of the Economic Feasibility of the use of the Port Authority's Crane.

OTHER BUSINESS

PRIVATE MEMBER'S MOTION NO. 3/97

INDEPENDENT EVALUATION OF THE ECONOMIC FEASIBILITY OF THE USE OF THE PORT AUTHORITY'S CRANE

SPEAKER'S RULING

The Speaker: Before calling on the Honourable Member, I would like to evaluate the position on the pending suit. The Honourable Minister responsible for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: On the last occasion when the House dealt with this Motion, I indicated that a Writ of Summons had been filed in the Court. That Writ of Summons was served on the Director of the Port Authority on Friday, 13th June, and yesterday (18th June) hearings began in the Court on this subject. I continue to say that the matter is sub-judice.

The Speaker: Do you have a copy of the Summons in your position?

Hon. Thomas C. Jefferson: My understanding is that the Bailiff walked across to the Port Authority and placed upon the desk of the Director the Writ of Summons. That is the way it was served.

The Speaker: You have stated that proceedings have commenced in court. Can you confirm that proceedings have commenced?

Hon. Thomas C. Jefferson: They have, Mr. Speaker. Yesterday.

The Speaker: Honourable Members, having taken legal counsel and advice on this, in the circumstances that a Writ of Summons and Application is before the Grand Court of the Cayman Islands, and I have now been informed that hearings have commenced in Cause No. 367 of 1997, between Thompson Shipping Company, Limited, and the Port Authority of the Cayman Islands for an injunction in them; I take the view for the same reasons I indicated on 12th June, 1997, that the House should not now debate the Motion.

However, the proper approach is for the parties to proceed swiftly, rather than for the House to have the need to continue postponing the consideration of Business properly before it. Therefore, I hope I have the full agreement of the House. I order that the matter shall rest at this time.

I direct that the Private Member's Motion No. 3/97 be placed on the Order Paper for the next Meeting of this Honourable House. That is my ruling.

Item No. 5, Government Business, Bills. Withdrawal of The Pensions (Amendment) Bill, 1997. The Honourable Third Official Member responsible for Finance and Development.

GOVERNMENT BUSINESS

BILLS

THE PENSIONS (AMENDMENT) BILL, 1997 (*withdrawn*)

Hon. George A. McCarthy: In accordance with the provisions of Standing Order 58, I move the withdrawal of a Bill entitled, The Pensions (Amendment) Bill, 1997. This withdrawal is necessary to correct certain sections of the Bill. It will hopefully be brought back at the next meeting in September.

The Speaker: The question is that Bill entitled, The Pensions (Amendment) Bill, 1997, be withdrawn. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. THE PENSIONS (AMENDMENT) BILL, 1997, WITHDRAWN.

The Speaker: Bills, Second Reading. The Honourable Second Official Member continuing his winding up.

SECOND READING

THE MISUSE OF DRUGS (INTERNATIONAL CO- OPERATION) BILL, 1997

(*Continuation of debate thereon*)

Hon. Richard H. Coles: At the adjournment of the House yesterday, I was working my way through various points mentioned by Members in the debate. I will continue along the same line, point by point.

I was asked if there was any limitation period for the criminal offences under this Bill. The answer is no, there is no limitation period. There is no limitation for criminal offences in Cayman, and they will be prosecuted as and when necessary.

I was also asked whether references to 'service by post' included communication by facsimile machine. The answer to that question is no, it does not. So 'service by post' means service by post.

It was also drawn to my attention that there is no general penalty in this Bill. There are some Laws in Cayman where, apart from specific offences, there is (for want of a better word) a 'catch-all' section which says that any offence for which there is no specific penalty will

carry such-and-such a fine or penalty. That has been a feature of certain Laws in the past. It will not be a feature in the future because I do not regard such general penalties as good drafting practice, and we shall not be incorporating them. As far as possible we shall avoid that. Where there is an offence, it will be a specific created offence and will carry a specific penalty.

I was asked about the cost of dealing with the requests we are likely to receive under the Convention. It was pointed out that there will be some expense in complying with the requirements and obligations of this Convention. I make no secret of that fact. There will, indeed, be some expenses, not least of all to Government, because the Vienna Convention does require expenditure by Government in terms of money and resources. It behoves those other international jurisdictions to realise and accept that Cayman recognises its international responsibilities and commits considerable resources in terms of, for example, the Mutual Legal Assistance Treaty with the US, in order to comply with its obligations. It is a fact that we recognise and know that it is part of our international obligation under this Convention.

Article 7, paragraph 19, says: "**The ordinary costs of executing a request shall be borne by the requested Party, unless otherwise agreed by the Parties concerned. If expenses of a substantial or extraordinary nature are or will be required to fulfil the request, the Parties shall consult to determine the terms and conditions under which the request will be executed as well as the manner in which the costs shall be borne.**" The general rule is that the expense falls on the party who receives the request. But there is a proviso in here that if some extraordinary or substantial expense was going to be incurred we can enter into discussions with the requesting jurisdiction and see if we can come to some agreement over it.

I was referred to two particular sections, sections 8 and 9 of the Bill. I will deal with them together because it is the same point made in respect to both sections 8(1) and 9(1). The point that was made is that it says at the beginning of section 8(1), "The Authority *may* refuse to comply with a request...", and in 9(1) "The Authority *may* postpone assistance pursuant to a request...", and they go on to state the circumstance. What I was asked was why we do not change if from 'may' to 'shall.' There are two reasons why it says 'may' in the Bill. The first reason is because this Bill is implementing the Vienna Convention and that is what it says in the Convention.

If we turn to Article 7 and look at paragraph 15, it says, "**Mutual legal assistance may be refused...**" and then it goes on to give the circumstances. In paragraph 17, it says, "**Mutual legal assistance may be postponed by the requested party...**" and it goes on to state the circumstances. So, we followed the wording within the Convention itself, which is clearly the right thing to do because that is what we are implementing.

There is good reason why it says 'may' instead of 'shall' because it gives the discretion to the court making the order and, indeed, to the Central Authority, but more essentially to the judges making the order. There could

be some circumstances in that request where, notwithstanding the particular issues, the court decides to grant the order. It just gives that discretion to the judge. Using the word 'shall' shuts the door completely—he has no option under any circumstances to grant it. I think it makes sense, and that is why we put it in.

We then come to section 12. This is the application to the court for a search warrant. The issue raised was that there is power under this section to gather material that can be on a computer, material electronically recorded on a disk. I was asked what happens if there was also privileged material, attorney/client material and so on, on the disk. That is not possible for that to be used pursuant to a request, so I was asked what happens to that. What happens if the police who have a warrant to search the premises find that some of the material is on a computer disk, they will ask what is on the disk. If the answer is that the material is privileged information, if that is then borne out by the party's attorney who say exactly the same thing, as long as it can be substantiated the exception applies and that is the end of that. It does happen now when material is seized.

I think what the Member was asking was if the police looked all through this material to establish whether or not it is privileged. Of course, it never really gets to that stage because the claim is initiated first by the person from whom the disk is taken.

I was also asked about section 10. It deals with taking of evidence. If the request requires evidence (testimony) to be taken then the Central Authority makes an application to the Grand Court and if the court approves and grants the application, the court takes the testimony. The court requires the individual(s) to come to court, appear before the judge and give the testimony. If they wish to be represented, they can be legally represented and many of them are.

We put a specific section in here, subsection (4), just for the avoidance of any doubt, which says, **"A person shall not be compelled in any proceedings under this section to give evidence which he could not be compelled to give in criminal proceedings in the Islands."** That means that there is no requirement for anybody to give testimony which would incriminate them. So, if someone says when asked a question, "I decline to answer that question on the grounds that it might incriminate me in offences..." that is exactly what this section deals with. That is a fundamental principle of our criminal justice system anyway.

By my calculation I have covered all of the points raised by Members debating this Bill. Those of you who are listening will be no doubt delighted to know that I am finished going through this mass of detail. But I think it is important that I do answer detailed questions with detailed answers because that is what they deserve.

I want to come back to one particular point because I believe there is still some uncertainty over it. I hope that I can clear that up now. It is a point which a number of Members mentioned, and I have talked about it as well.

Back to section 3 of the Bill, the purposes for which assistance can be sought. The two purposes talked

about, (h) and (i), and I will read them out: "(h) immobilising criminally obtained assets; and (i) assisting in proceedings related to forfeiture, restitution...." A number of Members mentioned that these do not feature in Article 7 and wondered why I put them in. I will repeat why and draw Members' attention to one or two other things as well.

Article 7 ended at (g), but I wish to make it clear that confiscation of drug proceeds and the proceeds of drug trafficking is very much part of the Vienna Convention. In fact, it is such a substantial part of it that it has its own article dealing with it; that is, Article 5. That deals with confiscation. It starts off: **"Each Party shall adopt such measures as may be necessary to enable confiscation of: (a) Proceeds derived from offences established in accordance with article 3** [and if you remember, article 3 sets out the offences, all of which are offences in Cayman now and the confiscation of the drugs themselves.]"

"2. Each Party shall also adopt such measures as may be necessary to enable its competent authorities to identify, trace and freeze or seize proceeds, property, instrumentalities or any other things referred to in paragraph 1 of this article, for the purpose of eventual confiscation."

"4. (a) Following a request made pursuant to this article by another Party having jurisdiction over an offence established in accordance with article 3, paragraph 1, the Party in whose territory proceeds, property, instrumentalities or any other things referred to in paragraph 1 of this article are situated shall:

(i) Submit the request to its competent authorities for the purpose of obtaining an order of confiscation and, if such order is granted, give effect to it...."

I could go on but it is quite a long article. I think Members have the gist of this by now. It is a very important part of the Convention. I think that is a very good reason why it is included in here.

The other thing I want to reiterate is that this is not a novel concept. In fact, (h) and (i) have been taken word for word out of the Mutual Legal Assistance Treaty which was enacted in Cayman in 1986. If we look at Article 1 of that Treaty, which is in the Schedule of the Mutual Legal Assistance Law, 1986, we will see that paragraphs (g) and (h) (they are not the same lettering) are identical "immobilising criminally obtained assets;" and "assisting in proceedings related to forfeiture, restitution [and in this case] collection of fines [which we have struck out of the present Bill." So, we have seen all of this before. In fact, that is exactly what we do at the moment with the United States.

The Cayman Islands has maintained a very strict policy against drugs for many years; one of the toughest policies within the Caribbean region and, I would venture to guess, within the world. We have laws dealing with drugs offences and methods of prosecuting drugs offences which ensures that when we implement these prosecutions in Cayman they are dealt with correctly and that they are dealt with extremely competently. I can say

that there are many other jurisdictions that envy (and envy is the right word) the legislation we have in place which they do not and are not able to implement in the way that we do. They would dearly love to have our legislation but, for various reasons, they do not.

Cayman has a very strong anti-drug policy. It is a policy pursued vigorously by the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation in his campaign to eradicate drug abuse from the Cayman Islands; a campaign he very determinedly follows. We have a successful unit within the Royal Cayman Islands Police Force (RCIP), the Drugs Task Force, which is one of the most successful units within the RCIP, and does a splendid job tackling drugs problem within Cayman. They have had some very significant seizures of large amounts of drugs, and significant arrests.

We also have a very well supported voluntary unit, CASA, which has tremendous support within the islands. All of these people are doing their part in fighting the fight against drugs. This legislation we have before us today is part of that fight. It is an integral part of that fight.

I want to finish off by saying that my point is exactly this: Failure to pass this legislation undermines the good work that these people are doing. It is a sad day for those people who are doing their best to fight drugs; but even more important, it is a great disservice to Cayman itself if this legislation is not passed.

The Speaker: The question is that a Bill entitled, The Misuse of Drugs (International Co-operation) Bill, 1997, be given a second reading. I shall put the question. Those in favour please say Aye...Those against No.

AYES and NOES.

The Speaker: The Ayes have it.

Mr. D. Kurt Tibbetts: Mr. Speaker, may we have a division?

The Speaker: Madam Clerk.

Division No. 17/97

AYES: 8

Hon. Donovan Ebanks
Hon. Richard H. Coles
Hon. George A. McCarthy
Hon. Truman M. Bodden
Hon. Anthony Eden
Mr. D. Dalmain Ebanks
Dr. Frank McField
Miss Heather D. Bodden

NOES: 5

Mr. D. Kurt Tibbetts
Mr. Linford A. Pierson:
Mrs. Julianna Connolly
Mr. Roy Bodden
Mrs. Edna M. Moyle

ABSENT: 4

Hon. W. McKeeva Bush
Hon. Thomas C. Jefferson
Hon. John B. McLean
Mr. John D. Jefferson, Jr

The Speaker: The result of the division is eight Ayes, five Noes. The Ayes have it.

AGREED BY MAJORITY. THE MISUSE OF DRUGS (INTERNATIONAL CO-OPERATION) BILL, 1997, GIVEN A SECOND READING.

SPEAKER'S RULING ON VOTING

The Speaker: I would like to call to the attention of Honourable Members the proper parliamentary procedure of Members being in their seats when they vote. In the future when the vote is called, I will give Members a couple of minutes to get into the Chamber. I ask Members to heed the call for a vote.

Proceedings are suspended for 15 minutes, and upon return we will go into Committee.

PROCEEDINGS SUSPENDED AT 11.44 AM

PROCEEDINGS RESUMED AT 12.43 PM

The Speaker: Please be seated. We will suspend for lunch until 2.15 PM.

PROCEEDINGS SUSPENDED AT 12.43 PM

PROCEEDINGS RESUMED AT 2.26 PM

The Speaker: Please be seated.

The House will now go into Committee to discuss two Bills.

HOUSE IN COMMITTEE AT 2.26 PM

COMMITTEE ON BILLS

The Chairman: The House is now in Committee. May I assume that as usual we should authorise the Honourable Second Official Member to correct minor printing errors and such the like in the Bill? Thank you.

The Health Insurance Bill, 1997. The Clerk will read the clauses.

THE HEALTH INSURANCE BILL, 1997

Clerk: Clause 1. Short title and commencement.
Clause 2. Interpretation.
Clause 3. Compulsory health insurance.
Clause 4. Insurance for high risk insurance persons.
Clause 5. Payment of premium.

The Chairman: Clauses 1 through 5 are open for debate.

The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: Mr. Chairman, I would like to make an amendment to Clause 2 under the suspension of Standing Order 52(2), that amendments may be made without notice.

The Chairman: I will give permission. Do you have a copy of the amendment?

Hon. Anthony Eden: Yes, Mr. Chairman. While the Serjeant is getting copies made, it reflects that in Clause 2 (and this is with thanks to the Third Elected Member for Bodden Town), I would like to add a clause (iii) by inserting at the end of the definition of 'child': "(iii) a child born out of wedlock;"

I will read what it says: "That in Clause 2 under the definition of 'child' the following be inserted at the end: '(iii) a child born out of wedlock.'"

The Chairman: With the permission of the House, let me put the question on Clause 1. That Clause 1 do stand part of the Bill I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 1 PASSED.

The Chairman: We will await the amendment to Clause 2. The Fourth Elected Member for George Town.

Dr. Frank McField: I would like to get a bit of clarification on that amendment.

The Chairman: It may be best to await the printed copy. *[Addressing the Fourth Elected Member for George Town]* Please direct your question to the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Dr. Frank McField: I am concerned with this particular clause in that the social ramifications could be quite significant. We are trying to legislate for society, meaning a kind of orderly way of doing things. In fact, we do not have that as a total basis in our society. A lot of people do have children born out of wedlock. Would they be responsible for these children? Does this clause mean that we would be able to pin legal responsibility for insuring these children?

Hon. Anthony Eden: The way it was before they would not have been covered. That is why we had to add this brief amendment.

Dr. Frank McField: Would that mean, then, that the Government would have covered these children as a class, similar to people who could not afford to pay?

Hon. Anthony Eden: No. There are many out there who can well take care of these children.

Dr. Frank McField: But if they are born out of wedlock...

Hon. Anthony Eden: Unless they were indigent, then Government would help them. But those who can pay, must pay.

Dr. Frank McField: So, who would be responsible in this case? The father or the mother?

Hon. Anthony Eden: I may have to get some help from the Honourable Second Official Member on this.

The Chairman: The Honourable Second Official Member.

Hon. Richard H. Coles: In the absence of a court order, the legal responsibility would fall with the mother. But, generally speaking, if the identity of the father was known, the mother would be able to take him to court for an affiliation order which would cover this sort of eventuality.

Dr. Frank McField: I would like to register my concern with this particular amendment because, although I believe it is good to cover all persons, we are still starting with a society that is imperfect and I think that the law has to take into account these imperfections in that there many children born out of wed lock. It corresponds very closely with the social economic status of the fathers. We have been experiencing quite a bit of difficulty enforcing court orders with regard to basic weekly or monthly maintenance. If the fathers were deemed responsible for the health insurance policies for these children, although we would like to see things run perfect, I ask if it would not be too much of a burden at this time on that social economic category of person.

Hon. Anthony Eden: If a person gets into difficulty, there is a provision to help them. As the Third Elected Member for Bodden Town noted in his debate, if a provision were not there many of them would not be covered in this.

The Chairman: Is there any further debate?

Dr. Frank McField: Mr. Chairman, with all due respect, I am trying to get some clarification on this point. I think it is important to take this into account. Once the Law goes into effect it could create a lot of difficulties. We do not want to weaken the authority of our society by creating laws that do not take into account the pre-existing social weakness and the fabric of our society. Specifically, I think the action of having children is already there. There are men out there who have children born outside of wedlock. When they are seeking permission to get their children status it creates a problem, but when we give them responsibilities it seems to be a completely different situation.

I think our judgment should be used in this particular case, and I think that we should not necessarily put that type of responsibility on men in cases where their children are born outside of wedlock. Somehow the respon-

sibility should rest with the mother until some type of legal clarification is made. We do not want to get into a situation where people start resisting the Law, creating difficulties.

I do not support men having children out of wedlock, but it is a pattern which has existed in the Caribbean society for as long as it has existed. I am very conscious of the efforts made by a previous Member of the Legislative Assembly with regard to enforcing Maintenance Orders. There is also a political type of consideration we must take into account because there is a lot of resistance to this, simply because many people fall into this category who usually fall at the bottom of the social economic level.

Although we would like everybody to be socially responsible, they can only exhibit a certain amount at this particular time. So, a person may have four, five or six children out there and four may be outside of wedlock. In many cases all six may be. Then we have to consider that social phenomenon as well.

Hon. Anthony Eden: The only response I have to that is that if we need to help some of these people we will have to do it. But someone has to be accountable for these actions.

The Chairman: If there is no further debate, the question is that clause 2 be amended. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AMENDMENT TO CLAUSE 2 PASSED.

The Chairman: The question now is that Clause 2, as amended do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 2 AS AMENDED PASSED.

Hon. Anthony Eden: Mr. Chairman, the other amendment is on Clause 3.

The Chairman: The Clerk has already read Clause 3, so please continue.

Hon. Anthony Eden: The amendment to Clause 3 reads: "That Clause 3(1) be deleted and the following substituted: '(1) Every person resident in the Islands shall unless -

- (a) he is covered by a contract of insurance effected by an employer under subsection (2);
- (b) he is covered by a contract of insurance effected by Government under subsection (3), or

where Government does not effect such a contract, medical services are provided to him by Government in accordance with Chapter 18 of the General Orders of the Government; or

- (c) he is an uninsurable person, effect a standard health insurance contract in respect of himself, his unemployed spouse and children."

The Chairman: The amendment to Clause 3 has been moved. Does any Member wish to debate it?

Dr. Frank McField: I was wondering if this would be a good time to look at the Minister's concept of 'employer'?

The Chairman: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: Can the Member further expand?

The Chairman: What section are you referring to Fourth Elected Member for George Town?

Dr. Frank McField: I asked whether or not, since we are at Clause 3, this would be a good time to deal with his concept of 'employer' since I had a question in regard to the definition.

The Chairman: Can you pinpoint what section in the Bill this is?

Hon. Anthony Eden: It is on page 6, under "interpretations".

The Chairman: That is in Clause 2. We have already passed that. We are now dealing with Clause 3. The Member for North Side.

Mrs. Edna M. Moyle: On the amendment just handed out, maybe the Honourable Second Official Member can advise me if I am wrong, it says, "(1) Every person resident in the Islands shall unless - (a) he is covered by a contract of insurance effected by an employer under subsection (2); (b) he is covered by a contract..." should the next word not be 'or'?

Hon. Richard H. Coles: I am afraid that the draftsman who did this Bill is not here at the moment, so I cannot really assist. I am told that we do not need a second 'or.' There is one at the end. That is what I am told. It is grammatically correct.

The Chairman: Is there any further debate on that amendment? If not, I shall put the question that Clause 3 be amended. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AMENDMENT TO CLAUSE 3 PASSED.

The Chairman: The question is that Clause 3, as amended, do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 3 AS AMENDED PASSED.

The Chairman: We have already taken clauses 4 and 5, which have no amendment. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSES 4 AND 5 PASSED.

Clerk: Clause 6. Premium of spouse and children.
Clause 7. Unlawful deductions by employer.
Clause 8. Employees must provide information to employer.
Clause 9. Duty of employer to provide information to employee.
Clause 10. Recovery of damages from employer in default.

The Chairman: Is there any debate on these clauses? If not I shall put the question that Clauses 6 through 10 do stand part of the Bill. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSES 6 THROUGH 10 PASSED.

Clerk: Clause 11. Voluntary health insurance.
Clause 12. Termination of contract.
Clause 13. False declarations, etc.
Clause 14. Liability of officers of corporate bodies.
Clause 15. Recovery of payment by the provider of a health benefit.

The Chairman: The question is that Clauses 11 through 14 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSES 11 THROUGH 15 PASSED.

Clerk: Clause 16. Approved provider shall pay benefit directly to health provider.
Clause 17. Disputes.
Clause 18. Appeals.
Clause 19. Regulations.
Clause 20. Repeal of the Health Care Insurance Law 1992.

The Chairman: The question is that Clauses 16 through 20 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSES 16 THROUGH 20 PASSED.

Clerk: A Bill for a Law to Provide for Health Insurance.

The Chairman: The question is that the Title do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

TITLE PASSED.

The Chairman: The next Bill is, The Misuse of Drugs (International Co-operation) Bill, 1997.

THE MISUSE OF DRUGS (INTERNATIONAL CO-OPERATION) BILL, 1997

The Chairman: I ask that the same stipulation where the Honourable Second Official Member is allowed to make minor corrections be accepted. Agreed? Thank you. The Clerk will read the Clauses.

Clerk: Clause 1. Short Title.

The Chairman: The question is that Clause 1 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 1 PASSED.

Clerk: Clause 2. Interpretation.

The Chairman: There is an amendment to Clause 2?

Hon. Richard H. Coles: Yes, notice has been given for an amendment to Clause 2 (2). It reads that Clause 2(2) be deleted and the following substituted: "In this Law references to an offence to which this Law applies are references to such of the offences specified in Article 3(1) which are offences of the same or a similar nature under the Laws of the Islands."

The Chairman: The question is that Clause 2 be amended. Is there any debate? If not, I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AMENDMENT TO CLAUSE 2 PASSED.

The Chairman: The question now is that Clause 2, as amended, do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 2 AS AMENDED PASSED.

Clerk: Clause 3. Purposes of Mutual Legal Assistance.

The Chairman: There is an amendment to Clause 3?

Hon. Richard H. Coles: There is one amendment for which notice has been given. It reads: "that: (i) in Clause 3(i) the words 'and collection of fines' be deleted;" I think to make grammatical sense of it, the 'and' wants to be inserted between the words 'forfeiture and restitution.' So it will read: "Assisting in proceedings related to forfeiture and restitution."

There is another amendment that I am afraid we have not given notice of, but it was picked up by the legal Legislative Counsel whilst the Bill was finally being debated. It is purely a matter of grammar. Because we have made an amendment to Clause 2(2), we actually need to make an amendment to the first part of Clause 3. So, instead of it saying, "mutual legal assistance in criminal matters specified in Article 3(1)", it will read "mutual legal assistance to which this law applies." It will then mirror the amendment we made to Clause 2(2).

So, Clause 3 will now read: "Mutual legal assistance in offences to which this Law applies."

Is that clear? We delete the words, "criminal matters specified in Article 3(1)" and substitute in its place, "offences to which this law applies."

The Chairman: Are all Members clear on that?

Hon. George A. McCarthy: Will the amended sentence now read: "Mutual legal assistance in offences to which this law applied in Article 3(1)"?

Hon. Richard H. Coles: No. Article 3(1) is deleted. It will just say, "Mutual legal assistance in offences to which this law applies may be requested for any of the following purposes..."

The Chairman: If there is no further debate, the question is that Clause 3 be amended. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AMENDMENTS TO CLAUSE 3 PASSED.

The Chairman: The question is that Clause 32 as amended do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 3 AS TWICE AMENDED PASSED.

Clerk: Clause 4. The Central Authority.
Clause 5. Contents of request.
Clause 6. Use of requested information by Authority.
Clause 7. Confidentiality of the Authority.
Clause 8. Refusal of mutual legal assistance.
Clause 9. Postponement of assistance.
Clause 10. Powers ancillary to the execution of a request.

The Chairman: The question is that Clauses 4 through 10 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSES 4 THROUGH 10 PASSED.

Clerk: Clause 11. Production of material relevant to a request.
Clause 12. Authority for a search pursuant to a request.
Clause 13. Authentication of official documents.
Clause 14. Protection of persons appearing in response to a request.
Clause 15. Protection of persons disclosing confidential information.
Clause 16. Restriction of application of laws.

The Chairman: The question is that Clauses 11 through 16 do stand part of the Bill. Is there any debate? The Honourable Second Official Member.

Hon. Richard H. Coles: I do not have any amendments to propose, but I think it is only fair to point out that the First Elected Member for Cayman Brac and Little Cayman mentioned a couple of points from this section. She is not in the Chamber at the moment. I do not know if she wishes to move these or not.

The Chairman: Which clause is that?

Hon. Richard H. Coles: Clause 11.

The Chairman: *[Addressing the Serjeant-at-Arms]* Would you please check with the First Elected Member for Cayman Brac and Little Cayman?

(Pause)

[Addressing the First Elected Member for Cayman Brac and Little Cayman] Do you have a question on Clause 11?

Mrs. Julianna O'Connor-Connolly: No, Mr. Chairman.

The Chairman: The question is that Clauses 11 through 16 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSES 11 THROUGH 16 PASSED.

Clerk: Clause 17. Transfer of persons in custody to or from the territory of the other Party.
 Clause 18. Confidentiality with regard to a request.
 Clause 19. Forfeiture or confiscation of criminally acquired assets.
 Clause 20. Service of notices and documents.
 Clause 21. Enforcement.
 Clause 22. Return of documents and articles.
 Clause 23. Conflict of laws.
 Clause 24. Amendment of Schedule 1.

The Chairman: The question is that Clauses 17 through 24 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSES 17 THROUGH 24 PASSED.

Clerk: Schedule 1- Parties to whom mutual legal assistance may be given by the Authority.
 Schedule 2-The United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

The Chairman: The question is that Schedules 1 and 2 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

SCHEDULES 1 AND 2 PASSED.

Clerk: A Bill for a Law to give effect to those provisions of the 1988 United Nations Convention against illicit traffic in narcotic drugs and psychotropic substances respecting mutual legal assistance between parties in the criminal matters specified in Article 3 of the Convention and for connected purposes.

The Chairman: The question is that the Title do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

TITLE PASSED.

The Chairman: The question is that the Committee do Report to the House. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED. THAT THE BILLS BE REPORTED TO THE HOUSE.

HOUSE RESUMED AT 3.03 PM

REPORTS ON BILLS

The Speaker: Please be seated. Reports. The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

THE HEALTH INSURANCE BILL, 1997

Hon. Anthony Eden: I beg to report that a Bill entitled, The Health Insurance Bill, 1997, was considered by a Committee of the whole House and passed with two amendments.

The Speaker: The Bill is accordingly set down for third reading. The Honourable Second Official Member.

THE MISUSE OF DRUGS (INTERNATIONAL CO-OPERATION) BILL, 1997

Hon. Richard H. Coles: I beg to report that a Bill for a Law to Give Effect to Those Provisions of the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances Respecting Mutual Legal Assistance Between Parties in the Criminal Matters Specified in Article 3 of the Convention and for Connected Purposes, was considered by a Committee of the whole House and passed subject to two amendments.

The Speaker: The Bill is accordingly set down for third reading. Third Readings.

THIRD READINGS

THE HEALTH INSURANCE BILL, 1997

Clerk: The Health Insurance Bill, 1997.

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: Mr. Speaker, I beg to move that a Bill entitled, The Health Insurance Bill, 1997, be given a third reading and passed.

The Speaker: The question is that a Bill entitled, The Health Insurance Bill, 1997, be given a third reading and be passed. I shall put the question. Those in favour please say Aye...Those against No.

AYES and NOES.

The Speaker: The Ayes have it.

Dr. Frank McField: Can we have a division please?

The Speaker: Certainly. Madam Clerk, please call the division.

Clerk: DIVISION NO. 18/97

AYES: 10

Hon. Donovan Ebanks
 Hon. Richard H. Coles
 Hon. George A. McCarthy
 Hon. Thomas C. Jefferson
 Hon. Truman M. Bodden
 Hon. Anthony Eden
 Mr. John D. Jefferson, Jr
 Mr. D. Dalmain Ebanks
 Mrs. Julianna O'Connor-Connolly
 Miss Heather D. Bodden

NOES: 3

Mr. D. Kurt Tibbetts
 Dr. Frank McField
 Mr. Roy Bodden

ABSENTEES: 4

Hon. W. McKeeva Bush
 Hon. John B. McLean
 Mr. Linford A. Pierson
 Mrs. Edna M. Moyle

The Speaker: The result of the division is ten Ayes, three Noes. The Ayes have it. The Bill has been given a third reading and passed.

AGREED BY MAJORITY: THE HEALTH INSURANCE BILL, 1997, GIVEN A THIRD READING AND PASSED.

THE MISUSE OF DRUGS (INTERNATIONAL CO-OPERATION) BILL, 1997

Clerk: The Misuse of Drugs (International Co-operation) Bill, 1997.

The Speaker: The Honourable Second Official Member.

Hon. Richard H. Coles: Mr. Speaker, I beg to move that a Bill entitled, The Misuse of Drugs (International Co-operation) Bill, 1997, be given a third reading and passed.

The Speaker: The question is that a Bill entitled, The Misuse of Drugs (International Co-operation) Bill, 1997, be given a third reading and be passed. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: THE MISUSE OF DRUGS (INTERNATIONAL CO-OPERATION) BILL, 1997, GIVEN A THIRD READING AND PASSED.

The Speaker: Government Motion No. 9/97 The Legislative Assembly Standing Orders (1997 Revision). I have given permission for this Motion to be moved without the required 12 days' notice.

The Honourable Acting First Official Member.

MOTIONS

GOVERNMENT MOTION NO. 9/97

THE LEGISLATIVE ASSEMBLY STANDING ORDERS (1997 REVISION)

Hon. Donovan Ebanks: I beg to move Government Motion No. 9/97, entitled, The Legislative Assembly Standing Orders (1997 Revision), which reads:

"WHEREAS it is many years since there has been a general review of the Standing Orders of this Honourable House and it is now desirable that this should be undertaken (subject always to the provisions of the Cayman Islands Royal Instructions, 1972, and of the Cayman Islands (Constitution) Order, 1972, as amended).

"NOW THEREFORE BE IT RESOLVED that this Honourable House shall review its Standing Orders and make such amendments as it deems fit."

The Speaker: Under Standing Order 87(3) I shall put the question that the Motion be referred to the Standing Orders Committee. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: IN ACCORDANCE WITH THE PROVISIONS OF STANDING ORDER 87(3) THE MOTION STOOD REFERRED TO THE STANDING ORDERS COMMITTEE.

**STANDING ORDER 70(2)
 CHAIRMAN OF COMMITTEE**

The Speaker: The Honourable First Official Member will act as Chairman to this Committee.

Presentation of Papers and Reports. Suspension of Standing Order 14. The Honourable Minister for Tourism, Commerce and Transport

**PRESENTATION OF
 PAPERS AND REPORTS**

SUSPENSION OF STANDING ORDER 14

Hon. Thomas C. Jefferson: Thank you, Mr. Speaker.

I beg to crave the indulgence of the House. This morning I laid on the Table of this Honourable House the Traffic Regulation for Cayman Brac. As these regulations cannot come into effect until they are laid on the Table, as you know, I do have a regulation that was recently passed by Executive Council and I wish to lay this upon the Table of this Honourable House also. I believe on this occasion it is necessary to suspend Standing Order 14. I so move in order for this regulation to be laid on the Table. This regulation in particular is beneficial for traffic flow in the Cayman Islands.

The Speaker: The question is the suspension of Standing Order 14. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: STANDING ORDER 14 SUSPENDED TO ENABLE THE HONOURABLE MINISTER TO LAY A PAPER ON THE TABLE.

The Speaker: I so order that the regulations be laid upon the Table. Do you wish to speak to is, Honourable Minister?

THE TRAFFIC CONTROL REGULATIONS 1997

Hon. Thomas C. Jefferson: The Traffic Control Regulation 1997, allows traffic to turn left on a red traffic light, provided it is safe to do so. I believe that this regulation is one that every Member of this House has been requesting for some time. Rather than wait until the September Meeting, I thought it opportune to seek your approval to place this on the Table as required by the Traffic Law, section 113.

This regulation goes on to deal with portable light signals, flashing red and amber signals, as well as other road markings. But I believe the significant benefit of this regulation is the ability to turn left on a red light after coming to a stop, provided it is safe to do so; that there is no oncoming traffic in that direction. I believe this will make a significant improvement to the traffic flow in George Town in the very near future.

Thank you.

The Speaker: That concludes the business on the Order Paper for today. There being no further business, I will entertain a motion for the adjournment of this Honourable House.

ADJOURNMENT

Hon. Truman M. Boddan: I am very happy to move the adjournment of this Honourable House until 10.00 AM on 27th August, 1997.

The Speaker: The question is that the House do now adjourn until 10.00 AM, 27th August. Before I put the question, I would like to thank all Honourable Members and Ministers for their courtesy and tolerance to the Chair. I am pleased that it has been a shorter Meeting than the last one, and wish you all a happy vacation if you are able to take one.

I shall put the question that the House adjourn until 27th August, 1997. Those in favour please say Aye... Those against No.

AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned.

AT 3.14 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM WEDNESDAY, 27TH AUGUST, 1997.

**EDITED
WEDNESDAY
27TH AUGUST, 1997
10.10 AM**

The Speaker: Prayers by the Third Elected Member for West Bay.

PRAYERS

Mr. John D. Jefferson, Jr: Let us Pray.

Allmighty 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. The Assembly is in Session.

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

The Speaker: I have been advised that Mr. Thomas Russell, CMG, CBE, our former Governor and the Cayman Islands' Representative in the United Kingdom, recently had eye surgery and is currently recuperating. On behalf of the Legislative Assembly, I will convey to him sincere wishes for a speedy recovery.

APOLOGIES

The Speaker: I have received apologies from the Honourable Minister for Education, Aviation and Planning and the Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture, who are both currently off the island.

Questions to Honourable Members/Ministers. Question No. 117 is standing in the name of the Third Elected Member for Bodden Town.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

QUESTION NO. 117

No. 117: Mr. Roy Bodden asked the Honourable First Official Member responsible for Internal and External Affairs to state the number of foreign prisoners serving time at Northward Prison giving nationality, gender, offence committed and time remaining to be served.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: As of 5th August, there were 53 foreign prisoners serving time at Northward Prison. The attached schedule [see Appendix I immediately following page 418] gives the nationality, gender, offence and time remaining to be served by each one.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: In light of the fact that in an answer to a previous question the Honourable First Official Member reported that it cost \$20,771.60 per annum to keep a prisoner at Northward Prison, has any attempt been made to see that foreign prisoners are deported to their jurisdictions rather than being incarcerated here at our taxpayers' expense?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Many of the foreign prisoners serving time at Northward Prison are there for importation of illegal drugs. A number of these have fairly lengthy sentences. We believe that if they are simply deported to their own country the message will get out that this country is soft on illegal drugs. Therefore, we have not given serious consideration to general deportation of foreign prisoners.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable First Official Member state whether any attempts have been made to contact the jurisdictions where the majority of these prisoners come from to see if any protocol or agreement can be arranged whereby these prisoners could, upon their deportation from the Cayman Islands, be expected to serve some time in a prison in their jurisdiction?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Yes, Mr. Speaker, contact was made sometime ago with the country where the largest number of foreign prisoners come from. We were told that their prisons were already overcrowded and they could not take these prisoners.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Can the Honourable Member state whether or not some of these prisoners are married to Caymanians?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I am not in a position to answer that with any degree of accuracy.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: In light of the fact that many of these offences would be considered felonies, what is the procedure for persons who are convicted of these offences after they have served time in prison?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: In every instance that I am aware of where a person has been sentenced to 12 months or longer, they would be deported at the end of their sentence.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Can the Honourable Member state if any consideration is being given to differential punishment for these offenders who are of foreign nationality?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I am not sure that I understand what the Member is asking. In any event, that would be a matter for the judicial department, upon sentencing.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: In light of the financial burden placed upon this country, I wonder if the Honourable Member can say when last the foreign jurisdictions were contacted in regard to accepting their prisoners?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I cannot say precisely, it was more than a year ago.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Perhaps the Honourable First Official Member might be willing to give an undertaking to make another attempt with a view to possibly negotiating whereby the Government of the Cayman Islands would pay the country with the largest number of foreign national prisoners at Northward Prison for incarceration in their own country. It still might be cheaper than keeping them here.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: As a matter of fact, that suggestion has already been made and is now in the discussion stages. I propose to pursue that to see whether an arrangement can be worked out. It may very well be possible to house them in their own countries at a lower cost than we are able to house them here.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: In answer to an earlier supplementary question the Honourable First Official Member stated that when a foreign national was sentenced to a period of more than 12 months imprisonment he was automatically deported at the end of the incarceration period. I wonder if the Honourable Member would say if the situation is still automatic even when the foreign national has Caymanian connections, by marriage or otherwise?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: In using the word 'automatic' I should say that there is a procedure. Generally, the court in handing down the sentence will also make the recommendation for deportation. Yes, it is likely that the foreign national, even if married to a Caymanian, will be deported.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Member state if there is any specific time period where, if the marriage is still intact, the foreign national can re-enter the Cayman Islands to remain with his spouse?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Each application to re-enter the Cayman Islands is treated on its own merits.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: So, it is fair to say that there is no specific policy regarding that type of situation?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I am not quite sure, when the Member says 'specific policy'... but the Immigration Law sets down the procedure. There have been instances in the past when permission has been given by the Governor for re-entry for a specific period of time, and for a specific purpose.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I understand what the Honourable Member is saying. Let me try to be more pointed in my question so that I can get a direct answer. Can the Honourable First Official Member say if Government at any time considers allowing these foreign nationals back into the country to continue living here with their spouses, especially in instances where they have children?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Mr. Speaker, all things are possible, but to my knowledge it has not happened in the past; and it is highly unlikely that it will happen in the future.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable First Official Member say if there are any other females since the preparation of this document (which only reflects two foreign females)?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I am not able to give an update on the question asked. I know that there are foreign females on remand at Northward Prison. I cannot say if the number of convicted female foreign prisoners has changed.

The Speaker: If there are no further supplementaries, the next question is No. 118 which stands in the name of the Third Elected Member for Bodden Town.

No. 118: Mr. Roy Bodden asked the Honourable First Official Member responsible for Internal and External Affairs to state how many of the police officers recruited from the United Kingdom are serving beyond their initial two year contract.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: There are currently 32 Officers serving in the Royal Cayman Islands Police Service who were initially recruited in the United Kingdom who are serving beyond their initial two year contract. This figure includes the Commissioner of Police and Deputy Commissioner of Police. Five other Senior Officers, including one Detective Chief Superintendent, one Detective Chief Inspector, two Detective Inspectors and one Inspector. All five are serving beyond their initial two year contract.

Of the remaining 25 Officers, one Detective Sergeant and eight Constables on secondment are serving beyond their initial two year contract. Twelve Constables are on their first two-year contract and four Constables are on local contracts, having resigned from their United Kingdom Force (1) or on career breaks (3). None of the Constables on secondment have served longer than four years.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member say if any of the constables who were recruited have been promoted since being here, and, also, will the Honourable Member explain what is meant by 'career breaks'?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: The answer to the first question is no. To my knowledge no constable has been promoted. In answer to the question about 'career breaks,' that is simply a term used for an officer who has taken unpaid leave of absence to be employed.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: I recall when we were told that these officers were going to be here for two years, and that would be it. My question to the Honourable First Official Member is: Has there been a change in policy? If so, why?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I cannot comment on the initial statement the Member referred to. What I can say is that we cannot compromise the efficiency of the Royal Cayman Islands Police Service. If we do not have Caymani-

ans who are willing and suited to serve as efficient police officers, then we will have to recruit from overseas. We must retain the efficiency we now have in the Royal Cayman Islands Police Service.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Before I ask my question, may I say that no one is suggesting any compromise in the Royal Cayman Islands Police Service. My question is: Are these constables who were specially recruited restricted to the uniformed branch, or are they spread over the entire police force including departments where the officers are attired in plain clothes?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: It is my understanding that they are not confined to one area, but are used where needed.

The Speaker: The Member for North Side.

Mrs. Edna M. Moyle: Would the Honourable First Official Member say if any of the 32 officers serving in the Royal Cayman Islands Police Service who were initially recruited in the United Kingdom now hold Caymanian Status and are still on contract?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I am afraid that I do not have the answer for that. It is a bit far from the substantive question.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: Are the officers who have been recruited subsequent to the expiration of their initial contracts in any position to compete with our local Caymanians for promotion?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: It is my understanding that in one case an officer was on contract and later resigned his post. He is now on a local contract. It is possible that he could compete with locals. Those on overseas contracts cannot.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable First Official Member say if there is ongoing recruitment of officers from the United Kingdom, or if the recruitment was merely limited to the 32 constables mentioned in the Legislative Assembly when we were briefed by members of the Police High Command?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: We have a regular local recruitment policy and a programme in place where we train police officers. On average for the last three years, we have had approximately 12 officers trained. If we are unable to recruit sufficient staff locally, then we have to look overseas to supplement.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable First Official Member say if there is any differential in the pay scale between constables recruited from the United Kingdom and those recruited and trained locally?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Government's policy in recruiting from overseas—and this does not apply only to police officers, but to the Civil Service generally—is to give consideration to the amount of experience the individual may have. So, in theory, it is possible to have United Kingdom recruited constables starting at higher points in the salary scale than locally recruited officers, unless the local officers have previous experience.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: The Honourable First Official Member mentioned the regular recruitment done locally. Can he say if there are many instances of locals applying for the Royal Cayman Islands Police Service and not being accepted; or is it simply that there are not that many making attempts to join the service?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I can refer to a specific instance. At the last recruitment exercise ten Caymanians applied. Three were selected, and all three have subsequently quit.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: When these officers from overseas are recruited and brought in, what kind of orientation process do they go through?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: There is an orientation course run for police officers brought in. Part of the orientation familiarises them with our laws and procedures.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable First Official Member say whether recruitment from overseas, in particular from the United Kingdom, specifically seeks to bring in officers with previous experience, or whether officers who are new to their respective forces are also considered?

1	Superintendent	Barbadian with Caymanian status
1	Superintendent	Belizean with Caymanian status
5	Chief Inspectors	Caymanian
1	Chief Inspector	Barbadian with Caymanian status
1	Chief Inspector	Jamaican with Caymanian status
1	Chief Inspector	British
10	Inspectors	Caymanian
2	Inspectors	Jamaican with Caymanian status
4	Inspectors	Barbadian with Caymanian status
1	Inspector	Jamaican
1	Inspector	Barbadian
3	Inspectors	British
23	Sergeants	Caymanian
3	Sergeants	Jamaican with Caymanian status
2	Sergeants	Barbadian with Caymanian status
1	Sergeant	British with Caymanian status
7	Sergeants	Jamaican
3	Sergeants	Guyanese
2	Sergeants	British
1	Sergeant	Belizean
1	Sergeant	Trinidadian
1	Sergeant	Barbadian
1	Sergeant	American
60	Constables	Caymanian
14	Constables	Jamaican with Caymanian status
4	Constables	American with Caymanian status
2	Constables	Cuban with Caymanian status
35	Constables	Jamaican
35	Constables	British
7	Constables	Belizean
3	Constables	American
3	Constables	Canadian
2	Constables	Trinidadian
2	Constables	Barbadian
1	Constable	Nigerian
1	Constable	Guyanese
1	Constable	Honduran
1	Constable	Nicaraguan
1	Constable	Bahamian

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: If we are going to bring people in from overseas, we are going to try to bring the highest calibre in that category. Naturally, new entrants into a police service would not normally be accepted.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Can the Honourable First Official Member say whether any form of incentive is still being offered to overseas recruits to encourage them to come and take up employment in the Cayman Islands, taking into consideration the high standard of living we have here as compared to the areas from which some of these people are recruited?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: I believe that pensions, that is, United Kingdom pensions, are paid for these officers, and I suppose that would be an incentive. We have not had any problem in recruiting what we believe to be a high calibre of police officer.

The Speaker: If there are no further supplementaries, the next question is No. 119, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 119

No. 119: Mr. Roy Bodden asked the Honourable First Official Member responsible for Internal and External Affairs to provide a breakdown of all the staff of the Royal Cayman Islands Police Force giving the rank and nationality.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: The breakdown of personnel in the Royal Cayman Islands Police Service by rank and nationality is as follows:

<u>Number</u>	<u>Rank</u>	<u>Nationality</u>
1	Commissioner of Police	British
1	Deputy Commissioner	British with Caymanian status
1	Chief Superintendent	Caymanian
1	Chief Superintendent	British
<u>Number</u>	<u>Rank</u>	<u>Nationality</u>
1	Chief Superintendent	Belizean with Caymanian status
2	Superintendents	Caymanian

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable First Official Member outline the policy and procedure for obtaining promotion in the Royal Cayman Islands Police Service from the rank of Sergeant and above?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Rather than give information that would not be completely accurate, I would prefer to give that answer in writing, if I may.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: What is the retirement age in the Royal Cayman Islands Police Service, and are there any officers presently serving beyond that age? If so, why?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Mr. Speaker, I would prefer to answer that in writing as I do not have that information at my fingertips.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: I have a corollary question to the one the Honourable Member preferred to answer in writing. He may likewise consider this: What number of Caymanians have sat and passed examinations, but are waiting on openings for promotion to the rank of Sergeant and above?

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Mr. Speaker, I will also give that in writing.

The Speaker: If there are no further supplementaries, that concludes Question Time for this morning.

Item number four, Statements by Members of the Government. The Honourable First Official Member.

STATEMENTS BY MEMBERS OF THE GOVERNMENT

Hon. James M. Ryan:

[Certain words were ordered by Motion to be expunged from the record.]

Mr. Linford A. Pierson: Mr. Speaker, on a point of order.

The Speaker: May I hear your point of order?

POINT OF ORDER (Standing Order 35(2))

Mr. Linford A. Pierson: I make reference to Standing Order 35(2) where it states "It is out of order to attempt to revive in any debate a matter or reconsider any specific question upon which the House has come to

conclusion. . . ." From listening to the Honourable First Official Member (and I do not wish to interrupt him unnecessarily), it would seem that what he is saying is a repetition of what has already occurred in this Honourable House.

I have to ask what is the real purpose of taking the time of the House at this point to reiterate what has already occurred, or what is common knowledge to the Honourable Members of this House?

Mr. Roy Bodden: Hear, hear!

The Speaker: I interpret this as a matter of clarification, Honourable Member. I think it is absolutely necessary that the chronological order of events be brought to the attention of, not only this Honourable House, but to the listening public. I therefore rule that the Member continue.

Hon. John B. McLean: Mr. Speaker.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Thank you, sir. I think when it comes to matters such as this... if there is a question on it I think it only right that the Minister involved should be notified of it. I knew of no such statement. None of my colleagues on this side knew of this statement. We sat in Executive Council until yesterday... and I think it is completely out of order for us to listen to this statement not knowing exactly what it contains. We are always asked on this side to stick together and support it. I had no questions from the other side of the House in regard to what was stated during Question Time. The answers I gave in this House were given as a result of what was given to me by Government Departments, not by my own undertaking.

I would appreciate it very much if this could be adjourned until Executive Council has an opportunity to fully discuss this. Then, if necessary, we can bring it back to the floor of this House.

Mr. Roy Bodden: Mr. Speaker, can we take a vote on that, sir?

The Speaker: Let me first say what I have to say.

Honourable Minister, in accordance with Standing Orders, the procedure for a statement by the Honourable First Official Member has been fulfilled. It is the responsibility of the Executive Branch of Government to have their position in order when they request permission for a statement. This has been done, not by me alone, but by every person who has sat in this Honourable Chair. When a Minister brings a statement it is allowed to be delivered at the time requested as information to the country.

If you all crave a short adjournment, I have no objection. But before ruling this out of order, I have a responsibility to see that the Order Paper goes forward.

Mr. Linford A. Pierson: Mr. Speaker. . .

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Mr. Speaker, it is fairly clear that the Ministers present this morning are not fully aware of what the statement is seeking to achieve, nor were we privy to read it. I believe in all of our best interests it is better to take an adjournment to discuss the matter, and then come back. I support the suggestion to adjourn.

The Speaker: The dilemma I find myself in is that a precedent could now be set where the House can delay a statement being made by an Official Member which is of importance to this nation. I understand what has been said, and I shall adjourn the House for ten minutes while I think about the situation.

PROCEEDINGS SUSPENDED AT 11.04 AM

PROCEEDINGS RESUMED AT 11.47 AM

The Speaker: Please be seated. Proceedings are resumed. The Honourable First Official Member.

Hon. James M. Ryan: Mr. Speaker, I will not be proceeding with the rest of the statement at this time.

The Speaker: The Third Elected Member for George Town.

MOTION WITHOUT NOTICE Standing Order 24(9)(h)

Mr. Linford A. Pierson: In accordance with Standing Order 24(9)(h) which deals with a motion being proposed which is the same in substance as any motion which during the previous six months has been resolved, reads: "**The following motions may be made without notice - (h) arising out of any item of business made immediately after that item is disposed of and before the next item is entered upon.**" In accordance with this section, I move that the previous part of the statement as read by the Honourable First Official Member today be expunged from the records since, according to my information, the matter is to be further considered by Executive Council, and that to listen to the part of the statement as read without hearing the total statement would carry confusing information to the public.

The Speaker: The Motion is on the floor at this time.

Mr. John D. Jefferson, Jr: I beg to second that Motion.

The Speaker: The Motion has been moved and seconded.

(Addressing the Honourable First Official Member) Would you like to make a comment on the Motion?

Hon. James M. Ryan: That section of the Standing Orders effectively refers to motions. I was not making a motion, but, rather, a statement.

The Speaker: May I direct something to the Third Elected Member for George Town? May I suggest, in view of the fact that Executive Council will now be deliberating on the matter, that it be left in the hands of Executive Council?

Mr. Linford A. Pierson: The purpose for this is really to help the House, and not to try to embarrass anybody because this matter will be broadcast on the radio tonight. To not hear the full statement would be very confusing to the listening public. Until the matter has been fully resolved by Executive Council, it would be better for the part of the statement as read out to be taken off the radio tonight.

The Speaker: Honourable First Official Member, do you agree with that?

Hon. James M. Ryan: Mr. Speaker, you gave permission for the statement to be made, and it was dealt with in accordance with Standing Orders and read in the House. Whether in its totality or in part, I think it should form part of the *Hansard* and should remain.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: In the interest of parliamentary democracy and the smooth running of our parliament, I have to second the sentiment that the matter be expunged from the record. Otherwise, I, as a Member, would find it too much to ask, and I am afraid that it would be unfair to the persons and positions referred to in the statement, not hearing the full text of the statement. I can only speak for myself, but, quite frankly, I am not prepared to accept any less.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: In support of the motion put forward, I, too, agree that there were certain statements and innuendoes made which could affect myself, not to mention the Honourable Minister for Agriculture, Environment, Communications and Works. I have no privy to what goes on in Executive Council, and I think that in the interest of natural justice I should be given a right of reply.

(Applause)

The Speaker: Does any other Member wish to speak?

The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I am totally in support of what was said on the other side of the floor. I think that if a portion of the

statement were allowed to be aired and to go into the *Hansard* it would be damaging, not only to myself and to the First Elected Member for Cayman Brac and Little Cayman, but, indeed, to the Government of this country. A matter of such a high magnitude should have been discussed at Executive Council level.

With due respect to the Chair, I think the Chair should listen to the majority of the House and do exactly as requested.

The Speaker: The Third Elected Member for George Town has a right to reply.

Mr. Linford A. Pierson: Mr. Speaker, there is a motion before the House. My only further comment is that the motion be dealt with at this point.

The Speaker: The question is that the portion of the statement made [by the Honourable First Official Member] be expunged from the records. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

Hon. James M. Ryan: May I have a division, Mr. Speaker?

The Speaker: Madam Clerk.

The Clerk:

DIVISION NO. 19/97

Ayes: 8

Mr. John Jefferson, Jr.
Mr. D. Dalmain Ebanks
Mr. D. Kurt Tibbetts
Mr. Linford A. Pierson
Dr. Frank McField
Mrs. Julianna O'Connor-Connolly
Mr. Roy Bodden
Mrs. Edna M. Moyle

Noes: 0

Abstentions: 3

Hon. James M. Ryan
Hon. Richard H. Coles
Hon. George A. McCarthy

Absent: 6

Hon. W. McKeever Bush
Hon. Thomas C. Jefferson
Hon. John B. McLean
Hon. Truman M. Bodden
Hon. Anthony Eden
Miss Heather Bodden

The Speaker: The result of the division is eight Ayes, no Noes, three Abstentions, six absentees. The Ayes have it.

AGREED BY MAJORITY: THAT THE PORTION OF THE STATEMENT MADE (BY THE HONOURABLE FIRST OFFICIAL MEMBER) BE EXPUNGED FROM THE RECORDS.

**GOVERNMENT BUSINESS
BILLS
FIRST READING**

THE NATIONAL DRUG COUNCIL BILL, 1997

The Clerk: The National Drug Council Bill, 1997.

The Speaker: The Bill is deemed to have been read a first time and is set down for second reading.

That concludes business on the Order Paper for today. I will now entertain a motion for the adjournment of this Honourable House.

ADJOURNMENT

Hon. James M. Ryan: Mr. Speaker, I move the adjournment of this Honourable House until 10 o'clock tomorrow morning.

The Speaker: The question is that the House do now adjourn until tomorrow morning at 10 o'clock. I shall put the question. Those in favour please say Aye... Those against No.

AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned.

AT 11.56 AM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM THURSDAY, 28TH AUGUST 1997.

**EDITED
THURSDAY
28TH AUGUST, 1997
10.17 AM**

The Speaker: Prayers by the Honourable Minister for Tourism, Commerce and Transport.

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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed.

I have received a proclamation from His Excellency the Governor appointing Mr. Donovan W. F. Ebanks, MBE., JP to be the Honourable Acting First Official Member.

Mr. Ebanks, please come forward to the Clerk's table to take the Oath of Allegiance.

**ADMINISTRATION OF OATHS
OR AFFIRMATIONS**

OATH OF ALLEGIANCE

Mr. Donovan W.F. Ebanks, MBE., JP
to be the Acting Honourable First Official Member

Hon. Donovan Ebanks: I, Donovan Ebanks, do swear that I will be faithful and bear true allegiance to Her Maj-

esty Queen Elizabeth II, her heirs and successors according to law, so help me God.

The Speaker: Please take your seat, Mr. Ebanks, as the Honourable Acting First Official Member. I welcome you on behalf of the Honourable House.

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

APOLOGIES

The Speaker: I have received apologies from the Honourable Minister for Community Development Sports, Women's Affairs, Youth and Culture, and from the Elected Member for North Side, who are both off the Island.

Questions to Honourable Members/Ministers. Question No. 120 stands in the name of the Third Elected Member for Bodden Town.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

QUESTION NO. 120

(Deferred)

No. 120: Mr. Roy Bodden asked the Honourable Acting First Official Member responsible for Internal and External Affairs what Government's policy is regarding re-entry into the Cayman Islands by foreign nationals who have immigration charges pending in the Courts of the Cayman Islands.

The Speaker: The Honourable Acting First Official Member.

DEFERMENT OF QUESTIONS NOS. 120, 121 and 122
(Standing Order 23(5))

Hon. Donovan Ebanks: I would ask the leave of the House to defer this question until a later date, as well as questions 121 and 122, as the answers are not quite ready. They will be ready shortly.

The Speaker: The question is that questions 120, 121, and 122 be deferred until a later date. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. QUESTIONS NOS. 120, 121 AND 122 DEFERRED UNTIL A LATER SITTING.

The Speaker: The next question is No. 123, standing in the name of the Second Elected Member for Bodden Town.

QUESTION NO. 123

No. 123: Miss Heather D. Bodden asked the Honourable Minister for Tourism, Commerce and Transport when the Pedro St. James National Historic site will reach the stage where it can offer employment to Caymanians.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Caymanians are currently employed on the restoration of this project and on the construction of the Visitors' Centre which recently commenced. Additionally, the Tourism Attractions Board will be responsible for the administration and operations at the Pedro St. James National Historic Site, the Queen Elizabeth Botanic Park and other tourist attractions which may come on line in the future.

A manager of the Tourism Attractions Board is about to be appointed and once this has occurred, other positions will incrementally come on line. In relation to the Pedro St. James National Historic Site these positions will include, among others, a site manager, tour guides, ticket booth attendants, gardeners, cooks, gift shop attendant and security officers. It is anticipated that these positions will start to come on line at the end of September 1997.

The Speaker: If there are no supplementaries, the next question is No. 124, standing in the name of the Second Elected Member for Bodden Town

QUESTION NO. 124

No. 124: Miss Heather D. Bodden asked the Honourable Minister for Tourism, Commerce and Transport to give an update on the progress of work at the Pedro St. James National Historic site.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Restoration of the Castle is almost complete and construction has commenced on the Visitors' Centre which will house, inter alia, a Multimedia Centre, a Restaurant and a Gift Shop. The contractor for the Visitors' Centre, Hadsphaltic Ltd., estimates that this phase will be completed sometime in April 1998.

SUPPLEMENTARIES

The Speaker: The Fourth Elected Member for West Bay.

Mr. D. Dalmain Ebanks: Can the Honourable Minister state if the work is on schedule?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: The project has suffered a few delays for a variety of reasons, but I believe that at the present time we are almost back on track. I believe that we can still meet the April 1998 final construction phase of the Visitors' Centre, which will cause the project to be complete.

The Speaker: If there are no further supplementaries, the next question is No. 125, standing in the name of the Second Elected Member for Bodden Town.

(Pause)

The Speaker: The Honourable Minister is not in the Chamber. We will move on to question No. 126, standing in the name of the Third Elected Member for George Town.

QUESTION NO. 126

No. 126: Mr. Linford A. Pierson asked the Honourable Third Official Member responsible for Finance and Economic Development whether Government is considering the introduction of an excise tax on any goods or products produced within the Cayman Islands.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: A recent revision of the Customs Law undertaken by a consultant contained proposals for an excise tax. However, the draft legislation produced is still under review and as a consequence a definitive position as to any locally produced goods being taxed cannot be arrived at until such review is completed.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I recognise the attentive position of the answer, but I wonder if the Honourable Member is in a position to state whether consideration is now being given to introducing an excise tax on beers exported from the Stingray Brewery, specifically?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Whenever the position as to what goods will be affected by the excise tax, if such is agreed upon by the Government... it could affect various products. We are not looking at the Stingray Brewery specifically. For the Member's benefit, it may be useful if I gave a bit of background information as to how this excise tax legislation came into being.

In late 1992, early 1993, this Honourable House called for a review of certain procedures within the Customs Department. It was then suggested that the help of a consultant be sought in order to streamline the operation of the Department. As a result, an advisor was brought in from the United Kingdom Customs Department. When this officer came, certain changes were recommended. One of those was that the Government should attempt to revise the Customs Legislation that we had in place in order to bring it in line with internationally recognised Customs procedures.

As a consequence, another consultant with expertise in the drafting of Customs legislation was engaged to assist with a review of the Customs Law. This is the draft legislation which came out of that exercise. So it was not an exercise that started recently, it goes back to that time. It is a question of what position the Government will take because it will look at the existing legislation and at 'add ons' which include the excise tax provision.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I thank the Honourable Member for that comprehensive answer. I wonder, considering that the Cayman Islands is really not an exporting country, but imports most of its goods, whether the Honourable Member can state if any goods are being exported from the Cayman Islands.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Goods that are being exported would include large quantities of rum cakes, jewellery that is locally manufactured and locally produced liquor, including beers.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: I am aware that in a number of areas we now have a situation where we locally produce a large number of products. To encourage local industry, Government should be looking at giving concessions rather than imposing an excise tax. I wonder if the Honourable Member can say if any such concession is under consideration, as I am aware that there have been a number of requests submitted along those lines.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: At this time the Government has awarded concessions to quite a number of compa-

nies that are manufacturing goods within the islands. We have certain sectors of the rum cake market presently enjoying such a concession.

It should also be recognised that an element of an excise tax is not a question of penalising locally manufacturers. One of the things that has to be looked at, and this will be the primary consideration in terms of considering the introduction of an excise tax in any specific area... we have a very finite market for goods being brought into the islands. Let us say that a certain market generates revenue in the region of \$10 million. We find that locally produced goods take up 20% of that market share. That would mean having to give up \$2 million out of that revenue.

As we know that we have a very limited revenue base, the Government would have to think in terms of introducing of new measures in order to compensate for giving up that amount of revenue, or looking again at existing measures.

At a meeting of the Government Private Sector Consultative Committee where a draft bill was looked at, certain objections were raised to specific goods being considered for excise tax. The request of the Committee was that the Collector of Customs should meet with those companies that would be affected to take their views on board. It does not necessarily mean that at any point in time an excise tax is introduced that it would mirror the importation tax that would be attached to such goods, such as beers, coming into the islands.

First of all, the Government is very cognisant of the importance of encouraging the diversification of the economy. This can only be done by awarding incentives to manufacturing concerns wanting to get into specific areas because we have had quite significant economic ramifications. We want to encourage this.

So, whenever the excise tax is being looked at, all of these factors are being taken into consideration.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I am very pleased to hear the Honourable Member say that every effort is being made to offer incentives. This leads me to my next supplementary.

In view of our economy not being an agri-based or industrial based economy, would the Honourable Member not agree that incentives should be given to any form of manufacturing of goods or products in the Cayman Islands, rather than even considering an excise tax, which would be a dis-incentive to the entrepreneurs wanting to start a business, such as the Stingray Brewery?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I can agree with the Member in part, but we have to look at the wider economic implications. Whatever is being considered by the Gov-

ernment will culminate in an incentive based support for local manufacturing.

As I mentioned earlier, we will look in terms of the overall revenue base of the Government. While incentives should be awarded—and this will be encouraged—anything which eats into that base by taking up a part of the market share will have to be examined. Not to say that it should be driven in terms of the Government's revenue, specifically, but what will be the overall economic implications, and how, if the Government has to give up revenue, it will be compensated for.

The Government's policy is that every effort and incentive is provided to local manufacturing concerns.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: I am aware that Government has to pay attention to the financial implications of these policies, but one of my concerns, because we import everything we have, is that Government should be attempting to encourage local industry as much as possible.

The Honourable Third Official Member mentioned that Government has given certain incentives to encourage local industry. Can he name one or two given to establishments such as Stingray Brewery, or the Savannah Springs Water Company? How were these locally owned businesses encouraged?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I will invite the Member to ask me to respond to that by way of a substantive question in the future. I did not bring details to support that along with me.

The Speaker: Are there any further supplementaries? The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Perhaps the Honourable Member could provide the answer to such a question in writing to the Members of the Legislative Assembly at a later date.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I would be quite willing to comply with that undertaking. But at this time there are about 30 concerns benefiting from such concessions.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I am happy to hear that there are so many local business people benefiting, but I think the Third Elected Member for Bodden Town was asking specifically about the Stingray Brewery. Perhaps the Honourable Third Official Member could state if there are any incentives now being given to that particular business enterprise in his answer.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Concessions which are now being given to that concern would include the duty free importation of bottles and labels, and also some of the raw material being used in the manufacturing of beer.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Since local manufacturing does not necessarily equate with local benefits, would the Honourable Member say if any consideration has been given to including Members of the Legislative Assembly in a type of discussion forum that would result in our having some input into this particular policy? It does appear that the assumption is that local manufacturing is equated to local benefits.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: No consideration has been given at this time to such a wide forum as the Member has just suggested. But I can put that recommendation forward for the Government's consideration.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: The Honourable Member mentioned that one of the incentives that Stingray Brewery enjoys is a concession on the importation of bottles and labels. I wonder if he can confirm whether the Savannah Springs Water Company enjoys the same benefits, as far as the importation of their bottles?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Yes, they do enjoy the same level of concessions.

The Speaker: If there are no further supplementaries, under Standing Order 23(3), we will return to question No. 125, standing in the name of the Second Elected Member for Bodden Town.

The Honourable Minister for Agriculture, Environment, Communications and Works.

QUESTION NO. 125

(Deferred)

Hon. John B. McLean: Mr. Speaker, this question came to me yesterday and, I have spoken to the lady Member, I will be answering that at a later date.

The Speaker: The question is that question No. 125 be deferred until a later date. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. QUESTION NO. 125 DEFERRED UNTIL A LATER DATE.

The Speaker: That concludes Question Time for this morning. Other Business. Private Members' Motions.

The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 4/97

ACTUARIAL STUDY FOR THE ESTABLISHMENT OF PUBLIC OWNED HEALTH INSURANCE CORPORATION

SUSPENSION OF STANDING ORDER 14

Hon. Anthony Eden: Mr. Speaker, I move that Standing Order 14 (2) be suspended and that Private Member's Motion No. 4/97 be taken next Thursday. I have discussed this with the Mover and the Seconder.

The Speaker: I would have preferred to have been notified of this, but let me put the question. The question is that Private Member's Motion No. 4/97 be deferred until next Thursday. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. THAT PRIVATE MEMBER'S MOTION NO. 4/97 BE DEFERRED UNTIL THURSDAY, 4TH SEPTEMBER, 1997.

The Speaker: Item number six, Government Business, Bills, Second Reading.

GOVERNMENT BUSINESS

BILLS

SECOND READING

THE NATIONAL DRUG COUNCIL BILL, 1997

The Clerk: The National Drug Council Bill, 1997.

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: I beg to move the second reading of a Bill entitled, The National Drug Council Bill, 1997.

The Bill is for a Law to establish a National Drug Council to provide for the transfer to the Council of certain functions and assets of the Government; and for incidental and connected purposes. The establishment of a National Drug Council will fulfil, for the most part, the very first strategy of the Cayman Islands National Strategic Plan for Drug Abuse Prevention and Rehabilitation which states that we will establish co-ordination of all the efforts of Government agencies, voluntary organisations and concerned citizens.

There are three specific objectives for achieving such results, and these are: (1) To set up a main office for information gathering and dissemination. This has been done since July last year. (2) To establish a mechanism for representation and co-ordination of Government agencies and non-governmental organisations and concerned citizens; and (3) To streamline programmes and services to facilitate the co-ordination of all concerned. Up to this point most of this information has been fragmented.

By establishing the National Drug Council under this Law, we will have achieved the second and third objective previously mentioned, and the office which was set up under the first objective will serve as the office of the National Drug Council.

The Advisory Council on the Misuse of Drugs which was set up under the 1988 Misuse of Drugs Law will cease to exist. Whereas that Council had very limited powers and merely advised, this new National Drug Council will have added powers to formulate policies and programmes of action to prevent and reduce drug abuse. It will be financed through grants from the Government but will also have power to receive, for example, gifts, grants, and endowments. The Governor-in-Council may, after consultation with the Council, give such general directions as to the policy to be followed by the Council in the performance of its functions.

The National Drug Council, with the support of its office will be, as I have said before, the lynch-pin in co-ordinating the implementation of the strategic plan. The Council will be able to harness the energy of an army of volunteers in the war on drug abuse such as these islands have never seen before. Through its efforts more and more of our citizens will be better informed about the dangers of drug abuse and, as envisaged in the sixth strategy of the National Strategic Plan, it "... will generate in each local community the motivation and capacity of residents to develop their own creative solutions" in the prevention of drug abuse.

As a result we expect to see a reduction in the number of new cases of drug abuse in the Cayman Islands. For those already abusing, the National Drug Council and its various committees will work with them and their significant others to turn their lives around and regain their productivity and useful contributions to our society and economy. I believe that through the efforts of the National

Drug Council we can also dramatically reduce the prison population at Her Majesty's Prison at Northward.

The Bill for a Law to Establish a National Drug Council was largely modelled after Bermuda's National Drug Commission Act 1993. Indeed, a delegation comprising the Permanent Secretary in my Ministry of Health, Drug Abuse Prevention and Rehabilitation, along with a Crown Counsel from the Legal Department and the Chairman of the Advisory Council on the Misuse of Drugs visited Bermuda for two days in October 1996 to hold discussions with relevant organisations to gain further insight into the operation of Bermuda's National Drug Commission. That visit reinforced the belief that the National Drug Commission in Bermuda is a vibrant and effective organisation and that a similar organisational structure would be appropriate for the Cayman Islands.

Clause 4 of the draft Bill enables the National Drug Council, among other things, to formulate policies and programmes of action to prevent and reduce drug abuse; to provide advice and education on, and research into the subject, and Clause 5 enables the Governor-in-Council to give policy directions to the Council.

It has always been the philosophy of the Ministry since we took over three and one half years ago, that the only successful way forward is demand reduction through education of our youth at an earlier age.

Membership on the Council, as proposed in Clause 7 of the Bill, will be 20, and includes the Permanent Secretaries for the Ministries responsible for Health, for Education and for Community Development or their representatives; also, the Financial Secretary and the Commissioner of Police or their representatives.

The Government's estimated annual expenditure for the operation of the National Drug Council will be \$300,000. Indeed, with the approval of the Governor-in-Council, and the approval of Finance Committee for the expenditure, the office of the National Drug Council was set up by this Ministry and has been operational since July 1996.

Provision is made in Clauses 16 and 17 of the Bill for the National Drug Council to receive grants, donations, technical assistance and other forms of support locally (and, implicitly, from international organisations) to further the mission of the Cayman Islands National Strategic Plan for Drug Abuse Prevention and Rehabilitation.

Finally, Mr Speaker, what is most rewarding is that the present Advisory Council on the Misuse of Drugs has worked with the Ministry of Health, Drug Abuse Prevention and Rehabilitation every step of the way in drafting and redrafting this Bill and therefore, as soon as the Law comes into effect, it will be ready and willing to take on its new role.

This briefly sets out, Mr Speaker, some of the highlights of The National Drug Council Bill, 1997 to be debated in this Legislative Assembly and I commend it to the Honourable Members and seek their support in passing it into law.

The Speaker: The question is that A Bill entitled, The National Drug Council Bill, 1997, be given a second reading. The motion is open for debate.

The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: I rise to offer my support to a Bill for a Law to establish a National Drug Council. First of all, I want to congratulate the Honourable Minister, and applaud the efforts of his Ministry in carrying out the responsibilities assigned to them, including the subject of drug abuse.

Members of this Honourable House and the listening public recognise that we have a drug problem in this country. I think the sooner this is established, the quicker we can move on with a programme to address this very serious plague. I believe that the establishment of a National Drug Council will co-ordinate effectively programmes in dealing with drug abuse and prevention in this country.

I must say that I have come in contact with many local persons who do have a problem with drug abuse. One of the difficulties they have experienced with attending counselling sessions is that at one stage these services were all centrally located in George Town. Many of them had no transportation to get back and forth to the meetings. Now, with the establishment of the District Health Clinics, provisions have been put in place whereby persons at the district level will be able to attend these sessions at their local District Clinic.

I want to also applaud those Members of the Advisory Council who have given many hours of their time and their effort on a voluntary basis to this very worthy effort. I think every effort must be made to make help or assistance available to those persons with problems in this area. I believe that every effort (and I am aware that the Government is moving in this direction) must be made to advise our youth at a very early age of the dangers of drug abuse.

We still have a lot of good youths in this country. Unfortunately, they do not make the headlines. We only hear about those with the problems. I do not want to be too long on this subject, so I will close by saying that I have every confidence in the Honourable Minister and his support staff. I encourage him to move forward in addressing the issues that he is responsible for in his Ministry.

The Speaker: The Fourth Elected Member for West Bay.

Mr. D. Dalmain Ebanks: I rise to support this Bill because drugs in this country have really gotten out of hand. I am glad to see that the Council is moving forward with it. I have to give the Honourable Minister credit for his efforts in trying to help subdue this awful scourge we have in our country.

This morning as I was listening to the radio programme on drugs, I wondered if Government could get that programme here, or put it into the schools. This told people of what the drug habit caused youths to go through in the United States—suicide, etcetera. It really

touched me, and I thought it could help to promote a defence against drug abuse here.

With those comments, I say let us push on all the harder to kill that enemy we have—drugs.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: I would like to compliment the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation on his efforts to rehabilitate affected drug abusers, and prevent those not involved from becoming involved.

We all know that drug addiction is something that the entire world has to deal with. If there were known solutions, at least some countries would rid themselves of this plague. We cannot criticise any effort, even if it is futile, because any attempt seems to be better than none. Nevertheless, drug addiction is something that has been with mankind for centuries. The newest wave in drug addiction caused by cocaine addiction is being popularised by crack addiction and crack houses, in particular in the United States of America with ethnic groups involved in this plague.

There is still a lot we have to learn about drug addiction, and about our particular attention to the question of drug addiction. Why does the society become attentive to drug addiction at a particular point? Why did it not become attentive before when certain groups were suffering from drug addiction? These are questions that are perhaps more relevant in the United States and other developed countries, than in the Cayman Islands. Nevertheless, the information we are getting in regard to the question to solutions to drug addiction are coming from these countries.

I think we need to develop a local strategy and local solutions and perhaps a council is the best way to begin this. I feel that many times we do things in regard to drug addiction and we really need to include those persons who could be most helpful. In other words, it is not just a question of members of our society wanting to be involved in helping people who are addicted to drugs, or helping people to not become addicted; it is not just an exhibition of altruism, it has to also have some type of practical solution. It is not just to say that so-and-so has been the Chairman of this committee, and serving on that committee, and at the end of the day we end up with committees composed of social 'do-gooders' looking to have a particular respect in this society, but have absolutely nothing to contribute when it comes to knowledge of how drug addiction occurs or could be cured.

We have to make sure that we are not establishing a council that is an establishment of another group of people who are going to have access to Government funds, but, from the point of view of actually finding solutions, will find absolutely none because they are not looking in the right direction.

Therefore, I am very concerned by the clause in this Bill that says that **"5. The Governor in Council may, after consultation with the Council, give such general**

directions as to the policy to be followed by the Council in the performance of its functions as appear to him to be necessary in the public interest, and the Council shall give effect to any such directions." Yet, in clause 9 (1) it says, **"9. (1) No person may be appointed as or remain a Council member who is an elected member of the Legislative Assembly."**

I am trying to find out who the advisors are, and what the motives are behind the advisors' advising that Members of the Legislative Assembly may be disqualified. At the same time they say that the Governor in Council, which means the Elected Members to the Executive Council, have a say—but the Members of the Legislative Assembly will be excluded by this clause from being members of this Council.

There are certain Members in the Legislative Assembly, including me, who feel offended by that particular clause. I am a qualified sociologist, and I have read extensively. I have also had my time with alcoholism. My office is located in the area where people sell drugs and use drugs. I do not try to hide myself from that type of environment. I feel that, as a sociologist and as a person with first-hand knowledge of the problems in this society—which even some of the Members advising the Minister do not have—my being excluded from being a member of this Council while serving in this Legislative Assembly does not make too much sense.

I would also say that the Third Elected Member for Bodden Town is quite a sociologist himself, and is quite interested in the problems of drug abuse and rehabilitation. He is one Member who I think has very good sociological common sense, but as long as he is a serving Member of the Legislative Assembly he can be excluded from this Council. Of course, if I went further I would look to my left and mention the Fourth Elected Member for West Bay who has been very much involved over the years in attempts to keep kids away from drugs, providing them with recreational sporting activities which are much more wholesome.

We have to be careful that in this particular Bill we do not create a situation where in the year 2000 we will find that some very experienced people—who could have offered this Council much information which would have allowed it to do its job—were excluded because somebody seems to have the desire to exclude politics from the Council. But politics is included in the Council in that the Council needs the \$300,000 from Government to be established, and because the Governor in Council still has the final say. So, politics is not excluded from anything in society, because society is politics. It is petty nonsense to talk about excluding politics from the Council (if I am reading this right) by excluding Members of the Legislative Assembly.

I am saying that the intention is good. We are not guaranteed that we will have solutions simply because we create a council. We do not want a council of people seeking to become important in this society. Rather, we want a council of people who are ready to work and find solutions, who will be flexible and realise that there are no easy solutions to the question of drug rehabilitation.

So the establishment of a council does not necessarily guarantee us a solution.

We can only be hopeful of a solution if we get the expertise involved on whatever level we can. That is the only time we will find a solution. To write into law something that would exclude me from being a member of the Council—and I am going to be very personal about this—who has been sitting in this country with a Ph.D. for the last 20 years; who confesses to having had problems with alcohol, and have experienced some of the most devastating effects on my personality and my social standing... and they somehow forget when they put these things together that I am not just paper, but a real person. They need to keep that in focus. We need to make it wide open enough to fall back on whomever we need to for assistance.

As one Member said to me before, we have Members of the Legislative Assembly on the Education Council and other councils, why is it now being said that Members of the Legislative Assembly cannot go on this Council? I know that it is not the Honourable Minister's intention to do anything wrong. Perhaps the Council in Bermuda said keep politicians off, but not all of us are so stupid that we cannot make a distinction between our political desire to hurt from our very personal and humane desires as members of society to build up, reconstruct and rehabilitate. We should be left with that decision. We should be trusted. Members of the Legislative Assembly should not be excluded from this particular Council.

I intend to come back to this Legislative Assembly in the year 2000, the year 2004, 2008, 2012, and 2024 and so forth and so on. If I can contribute something positive to this Drug Council, then I would like to be given the opportunity to do so. I hope that the Honourable Minister will entertain the suggestion to at least alter this clause.

The Speaker: This would be a convenient time to take the morning break. Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 11.15 AM

PROCEEDINGS RESUMED AT 11.50 AM

The Speaker: Please be seated. Debate continues. (Pause) Does any other Member wish to speak? (Pause) The Third Elected Member for George Town.

Mr. Linford A. Pierson: I could not let this opportunity pass without rising to support The National Drug Council Bill, 1997, before the House

I wish to congratulate the Honourable Minister for bringing such a timely and important Bill to this Honourable House. While congratulating him, I also wish to make the point that Government should endeavour (and I know that this is perhaps being considered) to make every effort to involve the community in the process as far as possible. What I really mean is that Government should be seen as the policy-makers, not necessarily as

individuals who will be responsible for implementing those policies or providing services.

In this day and age when we hear a lot about the reinvention of Government, every effort should be made to make our services more efficient. That efficiency will not necessarily come by making the Government bigger, or by taking on more services. There are already certain groups very much involved with the rehabilitation process with the drug problems within the Cayman Islands, such as the Canaan Land group. I hope that efforts will be made by Government to put the policies in place and to also empower those individuals who are already involved with the services so that they can provide a better service.

I was also looking at section 4 of the Bill which refers to the function of the Council. I am pleased to see that section 4(a)(i) states that the Council will indeed formulate policies and develop programmes. But I will be watching very closely to see that Government is not getting too involved with the service side of the Council; but that it will be more involved with ensuring that the proper policies and the formulation of those policies are kept up to date.

There are already individuals within the community who have been doing a sterling job in the fight against the drug problem in the Cayman Islands. I think of individuals such as Mr. Hollis Hurlstone, and others in some of the troublesome areas, who have taken it upon themselves to fight this drug problem.

It is important that Government, the churches, the schools and others get involved in the community and work with those community leaders in the fight against the drug problem. The problem will not be effectively addressed from the Glass House, from some administrative office. In order to effectively address the drug problem, individuals involved will have to get into the community and work side by side with the people.

As the Fourth Elected Member for George Town said, it is important for the community to be involved. He gave examples from his own personal experience of what this scourge can do to our people. Many of our churches are already involved in trying to assist with this problem. But I constantly preach that it is not enough for the churches, or for Government, to just provide a programme. They must see that the programmes are properly implemented.

The Honourable Minister has done a sterling job since taking over the Ministry. In the *Caymanian Compass* of 14th August, 1997, he gave a very good accounting of what the National Drug Council's aims and objectives are and how he hopes they will be fulfilled. It will be interesting to see how these objectives are fulfilled.

The Fourth Elected Member for George Town also raised another very important point, a point which I would like to support. That had to do with section 9(1) of the Bill before us, dealing with the disqualification of Council members. Knowing the Honourable Minister piloting this Bill as I do, I feel that he will work with us in making whatever amendments are necessary to have this corrected. I share the sentiments of the Fourth Elected

Member for George Town in that we are all representatives of our people, and have a genuine interest in their welfare. We should also have the opportunity to sit on the Council if we wish to do so.

Because of time constraints on a very important appointment I have at this time, I am unable to continue on this. But I do feel that this is a very good Bill, and it would certainly have been remiss of me in my duties as a representative if I failed to give this my full support. I therefore support this Bill.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I would first like to congratulate the Honourable Minister, his Permanent Secretary, his Deputy Permanent Secretary and all of his staff for this Bill. It is extremely important. I think it is one of the most important Bills dealing with one of the most difficult but important subjects that this House will see.

Prevention being better than cure is a principle I fully adhere to when it comes to drugs. The efforts and strides that have been made by the Honourable Minister to deal with this difficult problem are highly commendable. I can safely say that I have never been on drugs. I do not personally know what it is, but I do know the scourge of it produces death. Therefore, I have always fought to the best of my ability (and will always do so) to eradicate it from our society.

Much has been done, but much remains to be done within the schools. We take this very seriously. There is education on it from the primary schools through to the high schools. The QUEST Programme is effective. That, along with visits from experts, including the Police, have been carried out for many years now. The QUEST Programme was introduced well before my time. I think it may have been in place since the 1980s.

The churches have done a lot, and we have to be thankful to them. They have taken the Christian approach and within their congregational youth programmes they have done a lot. CASA is to be thanked. The public has supported many of the churches and the programmes in their fight against drugs. The Police have impacted heavily on reducing drugs. For that we are very grateful.

Sometime ago we had a Select Committee (two years ago, I think) in which a decision was taken to increase the penalties on drugs in the Penal Code in areas relating to young people, especially in relation to schools. When children are involved in this way by an adult, the penalty will be substantially more than if a juvenile were not involved. I think we have to send a clear message to the people in this country who are involved in the business of drugs, that it is not going to be tolerated and the penalties that follow have to be severe and effective. We must ask the courts to assure that those penalties are suitable and effective in the case.

I will fully support the Honourable Minister in any way whatsoever that I can. I commend him, his Ministry and his Department. I encourage the new Council to steadily move forward and to continue doing what is pos-

sible and necessary to eradicate this scourge from our society. That Council will have my full support in dealing with these problems.

While 'prevention is better than cure,' when this happens people who push drugs—who basically sell death to our children—should face severe penalties. They need to be taken out of this society. They are not really needed when they reach the stage where they are pushing drugs. I would like to reiterate that if children are involved, my personal view is that the penalty handed down to an adult using children to peddle drugs should be double that of the normal penalty.

My stand is totally in full support of this Bill and the Ministry.

The Speaker: The Second Elected Member for Bodden Town.

Miss Heather D. Bodden: I rise to give my full support to a Bill entitled, The National Drug Council Bill, 1997. I think it is very timely, and the sooner this is established, the better.

I would like to say to the Honourable Minister and his very dedicated staff, that I think they have all done an excellent job in their continuing efforts in this fight. I would also like to take this opportunity to encourage those people with drug problems to come forward and take advantage of the opportunity for help.

I would also like to say to those voluntary associations, such as CASA, that I think they are doing an excellent job in their efforts in the fight against drugs. I thank them for everything they are doing.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: The effort to put mechanisms in place to counter the spread of drugs in this community is an effort which is to be commended and encouraged. Anyone who has been in the Cayman Islands for more than a few weeks will soon realise that the scourge of drugs is the single most dangerous threat this society faces. Consequently, attempts such as this take on a greater significance.

When we juxtapose this against the fact that our prison population is predominantly made up of persons who have been incarcerated for drug, and drug related, offences, it brings greater necessity to implement plans and organisations such as the National Drug Council. Just yesterday we were reminded that of the 53 foreign prisoners at Northward Prison, 30 of them are incarcerated for drug, or drug related, offences. I would venture to say that the number of Caymanian prisoners similarly incarcerated is even greater.

While various organisations within the community, including the churches, are fighting a good fight, in order to win this battle we need to marshal every available resource. I see this National Drug Council Bill as a very important tool in the fight against drugs.

One of the things I like about the Bill is that it has de-politicised the effort—even though I take umbrage to the fact (as mentioned by previous speakers) that section 9(1) disqualifies persons who are Members of this Honourable House from sitting on the Council. I will just say that it must have been an oversight, and leave it at that.

I think that the sentiments expressed by previous speakers sends the message that we, as Members of this Honourable House, are united in our concern to conquer this scourge. I want to make a clarification, and I want to say that when we talk about drugs, we also include alcohol. I think the abuse of alcohol poses as great, if not greater, a threat than cocaine and marijuana for the simple reason that alcohol is a legal and accepted drug. Therefore, the cases of abuse arising from that are tolerated, and even ignored in many instances, while the illegal drugs get the rap—and deservedly so.

I am really concerned about the abuse and levels of consumption of alcohol in this society. I think that while I am not advocating intemperance, I think it is time that we educate ourselves to the dangers. I came from a home where I experienced that first hand, and it is not pleasant. Alcohol gets away because it is a legal drug. It is time that we take a closer look.

Going back to what we call the hard drugs, from the newspaper reports it is clear that we have a new onslaught of cocaine entering into this country by virtue of the vehicles and methods used to bring it in. While this Bill may never prevent entry of illegal drugs into the islands, the effectiveness of this Bill will be in promoting education and providing opportunities for people who fall victim to the ravages of drugs.

I am reminded that there is no easy cure. There is no easy way to rescue someone. I believe that it is as much a spiritual matter as it is a physical one by virtue of the fact that it has something to do with a person's self-esteem—or lack thereof—as much as it has to do with the physical addiction. The best attempt is one that prevents people from falling victim in the first place. To a large extent that is why a Bill such as this should be supported.

We are a small community and we cannot afford to lose one person, let alone lose them by the tens to drugs. I certainly would not want us to reach the point where we have to warehouse significant numbers of our young people who are marginally productive, or unproductive because they have this addiction.

I am pleased to give my support to this Bill and I hope that the efforts of all involved will reap the greatest success. As a Member of the Legislative Assembly I am willing to be a volunteer in this fight against illegal drugs. I am happy to know that this Bill has the wide support it does.

Before I round up my debate, in section 9 (2) (c), it says, “**(2) The Governor in Council shall terminate the appointment of any Council member who (c) becomes bankrupt or suspends payment to or compounds with his creditors;...**”. Bankruptcy may occur under circumstances completely beyond our control. I can understand terminating the appointment of someone

who suspends payment, but business is a risk—sometimes we make it, sometimes we do not. Once the bankruptcy is not of a criminal, fraudulent nature, I do not think that someone should be precluded from volunteering or giving of their expertise. As a businessman, I know that it can go either way—either you make it or you do not. It might not necessarily have to do with one's genius or ability.

I do not think we should structure this type of thing in, especially in a small community where the pool of volunteers we have to draw from is limited. I ask that some attention be brought to this section so that a differentiation can be made. Other than that, the Bill and the ensuing efforts have my full support. I wish the Honourable Minister and his staff all the best and God's help in this mammoth undertaking.

The Speaker: Does any other Member wish to speak? (Pause) If not, would the Honourable Minister wish to exercise his right of reply?

Hon. Anthony Eden: It gives me a special feeling to respond. I would like to thank the Members who spoke on this Bill, as well as those who did not. I know that this subject touches every one of us, and is something that can only be dealt with through the support shown here today. The insight of the contributors shows the maturity of this House. A recent editorial bears this out. We can work together for the good of this country.

There was a lady sitting in the visitor's gallery earlier today who is the secretary to the president of the Advisory Council on the Misuse of Drugs. These people have contributed many long hours, and I would like to say a special thank you to the members, both present and past.

One of the areas touched on by the Third Elected Member for West Bay was the provision of counselling rooms in all our new counselling centres. Decentralising was one of the ideas we implemented in developing these community centres. People dealing with this problem seek a certain amount of privacy, which is now afforded them in these areas. We feel that by taking the counselling to the districts the people affected as well as their families can better access the counselling. This forms an integral part of the person's betterment. Not only people who are physically sick, but also those who have drug problems can now find relief in their own districts.

I would also like to thank the communities for their involvement. For a long time CASA and the churches have been involved. I would also like to make special mention of the Lions Club and their efforts, and CASA for financial assistance. I cannot leave out the media, especially with their recent coverage and support. I know one of the writers for the *Caymanian Compass* has played a tremendous role in helping us get this message out.

I would like to have recorded in the *Hansard* of this Honourable House the support of Mr. John Redman. He has put forth tremendous efforts in helping us get our message out, and in educating the people so that they know where they can go to get these services. It makes

me feel really good when I see the wide cross-section of involvement by all Caymanians.

We have come to the stage where we are dealing with a monster that not one of us can handle alone. It has to be a community effort—not only here, but throughout the world. When we look at the proposals put forward in our National Strategic Plan for Drug Abuse, which has input from hundreds of people, we realise that many long hours went into it.

I am pleased to say that recently the Cayman Islands received international plaudit for the efforts put forward in combating the onslaught of drugs. We have gone back to involving our own Caymanian people, not bringing in consultants and experts from outside. It is the only way we can be successful. As I said in my opening, it can only be through demand reduction and in the educating of our children.

The Third Elected Member for Bodden Town mentioned alcohol. Too many times this is overlooked. I think it was an excellent point. Anything in excess will cause a problem, but alcohol in excess can be deadly.

I appreciate the Fourth Elected Member for George Town pointing out the need for the involvement of Members of the Legislative Assembly on this Council. I understand the feelings of the entire Backbench, and I assure them that at Committee stage we will seek an amendment on that.

In closing I would like to thank everybody. I thank the parents and those who are involved with young ones. I encourage them to be aware—know where your children are. Know who they are with and where they are at all times. Please monitor them. No matter what we do in this Legislative Assembly, no matter how many prisons we build, if we do not start at home we will never be successful. I implore the entire country to support our efforts.

The Speaker: The question is that the National Drugs Council Bill, 1997, be given a second reading. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. THE NATIONAL DRUG COUNCIL BILL, 1997, GIVEN A SECOND READING.

The Speaker: Would Members like to take the luncheon break now, or resolve into Committee?

Mr. John D. Jefferson, Jr: Mr. Speaker, I would encourage the House to go into Committee. It should not be a long process. Maybe then we can adjourn a little earlier this afternoon.

Mr. Roy Bodden: Mr. Speaker, I respectfully suggest that we take the lunch break.

The Speaker: I shall put it to a vote. The question is that we suspend now for lunch. I shall put the question. Those in favour please say Aye...Those against No.

AYES and No.

The Speaker: The Ayes have it.

AGREED. THAT THE HOUSE SUSPEND FOR LUNCH.

The Speaker: Proceedings are suspended until 2.15 PM.

PROCEEDINGS SUSPENDED AT 12.28 PM

PROCEEDINGS RESUMED AT 2.55 PM

The Speaker: Please be seated. The House will now go into Committee to consider the National Drug Council Bill, 1997.

HOUSE IN COMMITTEE AT 2.55 PM

The Chairman: Please be seated. The House is now in Committee. With the leave of the House, may I assume that, as usual, we should authorise the Second Official Member to correct minor printing errors and such like in these Bills?

Would the Clerk state the Bill and read its clauses?

COMMITTEE ON BILL

THE NATIONAL DRUG COUNCIL BILL, 1997

The Clerk: Clause 1. Short title.
 Clause 2. Interpretation.
 Clause 3. Establishment of Council.
 Clause 4. Functions of the Council.
 Clause 5. Relations with Government.
 Clause 6. Constitution of the Council.
 Clause 7. Appointment of Council members.
 Clause 8. Appointment of National Drugs Co-ordinator.

The Chairman: The question is that Clauses 1 through 8 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSES 1 THROUGH 8 PASSED.

The Clerk: Clause 9. Disqualification of Council members.

The Chairman: There is an amendment to Clause 9.
 The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: I beg to move the suspension of Standing Order 52 (2) that we may amend Clause 9 by (i) deleting sub-clause (1) in its entirety; and (ii) renumbering sub-clauses (2) and (3) as (1) and (2), as per the circulated memorandum.

The Chairman: The question is that Clause 9 be amended. Does anyone wish to speak to that?

Mr. Linford A. Pierson: Mr. Chairman, just to congratulate the Honourable Minister for complying with the request of the Backbench in this matter. I think it points out the quality of the gentleman we are dealing with. This will give him the assurance also that he can rely on our support when he acts in such a very responsible manner.

I could not let this opportunity pass without recognising the graciousness on the part of the Honourable Minister in this matter.

The Chairman: Does any other Member wish to speak?

(Inaudible interjection)

The Chairman: Does the Mover wish to reply to that?

Hon. Anthony Eden: I am thankful for the kind remarks made by the gentleman. It shows the maturity of this Honourable House now; the hard feelings I experienced in my first four and one half years are gone. What we are dealing with here is one of the most important subjects we can deal with in this country. If we all work together we can get it solved. We have a long way to go, and much enjoyment to experience.

The Chairman: If there is no debate I shall put the question that the amendment do stand part of Clause 9. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AMENDMENT TO CLAUSE 9 PASSED.

The Chairman: The question now is that Clause 9, as amended, do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 9 AS AMENDED PASSED.

The Clerk: Clause 10. Regulation of Council business.
 Clause 11. Members' interests.
 Clause 12. Pecuniary interests for the purposes of section 11.
 Clause 13. Exemption from disability.

Clause 14. Power to employ staff.
 Clause 15. Financial year.
 Clause 16. Funds of the Council.
 Clause 17. Gifts and bequests to Council.
 Clause 18. Council to meet expenses out of revenue.
 Clause 19. Borrowing powers.
 Clause 20. Application of funds.
 Clause 21. Financial statements of the Council.
 Clause 22. Audit.
 Clause 23. Budget.
 Clause 24. Reports of the Council.
 Clause 25. Minister may require returns.

The Chairman: The question is that Clauses 10 through 25 do stand part of the Bill. If there is no debate I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSES 10 THROUGH 25 PASSED.

The Clerk: Clause 26. Vesting of premises.
 Clause 27. Inspection of treatment centres.
 Clause 28. Disposal of surplus premises.
 Clause 29. Immunity.
 Clause 30. Power to make regulations.
 Clause 31. Rules.
 Clause 32. Additional powers.
 Clause 33. Amendments and repeals.

The Chairman: The question is that Clauses 26 through 33 do stand part of the Bill. If there is no debate I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSES 26 THROUGH 33 PASSED.

The Clerk: The Schedule.

The Chairman: The question is that the Schedule do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

SCHEDULE PASSED.

The Clerk: A Bill for a Law to establish a National Drug Council; to provide for the transfer to the Council of certain functions and assets of the Government; and for incidental and connected purposes.

The Chairman: The question is that the Title do stand part of the Bill. If there is no debate I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

TITLE PASSED.

The Chairman: That concludes proceedings in Committee on a Bill entitled, The National Drug Council Bill, 1997. The question is that the Bill be reported to the House. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: THAT THE COMMITTEE REPORT THE BILL TO THE HOUSE.

HOUSE RESUMED AT 3.05 PM

REPORT ON BILL

THE NATIONAL DRUG COUNCIL BILL, 1997

The Speaker: Please be seated. The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: Mr. Speaker, I beg to report that a Bill entitled, The National Drug Council Bill, 1997, was considered by a Committee of the whole House and passed with one amendment.

The Speaker: The Bill is set down for Third Reading.
Third Reading.

THIRD READING

THE NATIONAL DRUG COUNCIL BILL, 1997

The Clerk: The National Drug Council Bill, 1997.

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: Mr. Speaker, I beg to move that a Bill entitled, The National Drug Council Bill, 1997, be given a third reading and passed.

The Speaker: The question is that a Bill entitled, The National Drug Council Bill, 1997, be given a third reading and be passed. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: THE NATIONAL DRUG COUNCIL BILL, 1997, GIVEN A THIRD READING AND PASSED.

ADJOURNMENT

The Speaker: Honourable Members, that concludes the items on the Order Paper for today. I have received the following letter from the Third Elected Member for Bodden Town, which reads:

“Dear Sir,

Under Standing Order 12, I crave the indulgence of the Chair to move the adjournment of the House for the purpose of discussing a matter of urgent public importance.

I have been recently informed that there are at least eight prisoners being transported from Montserrat to the Cayman Islands for safe keeping. In light of the present overcrowding at Northward Prison, I wish to raise the matter on the floor of the House and to state my objections thereto.

[Signed] Roy Bodden, MLA, Third Elected Member for Bodden Town.”

The Third Elected Member for Bodden Town

Mr. Roy Bodden: Mr. Speaker, I crave the leave of the House to raise...

Hon. John B. McLean: Mr. Speaker, I believe that matters such as this should be done on the adjournment. Perhaps we should move the adjournment, then allow the Member to continue.

The Speaker: I shall entertain a motion for the adjournment. The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, before I actually put the motion, I would just like to get the agreement of the House. It seems that we have finished all of the work for today. There are three Bills that still have some time to run. I am wondering whether or not we should adjourn until Monday, which would give more time for the other three Bills (the time would not be fully run, but it would give a bit more time). Therefore, I move the adjournment of this Honourable House (I saw you nod, sir, so I assume it is in order) until 10 o'clock Monday morning, 1st September, 1997.

The Speaker: The question is that the House do now adjourn until 10 o'clock Monday morning, 1st September, 1997. I shall put the question. Those in favour please say Aye... Those against No.

AYES.

The Speaker: The Ayes have it. Prior to the adjournment, the Third Elected Member for Bodden Town will continue.

**MOTION ON THE ADJOURNMENT
(Standing Order 12)**

**EIGHT PRISONERS BEING TRANSPORTED FROM
MONTSERRAT TO THE CAYMAN ISLANDS FOR
SAFE KEEPING**

Mr. Roy Bodden: Mr. Speaker, with the leave of the House, I wish to discuss a matter of urgent public importance.

Yesterday evening on the 9 o'clock news (CNN) a report was made that eight prisoners had embarked on a warship of Her Majesty's Navy from Montserrat en route to the Cayman Islands for safe keeping. The extent was until such time as conditions in Montserrat allowed for their return and incarceration there, or until the time the prisoners were scheduled to serve had expired, whichever came first.

This news item was played again and I received calls from several of my constituents, as well as from the local television station, asking me if I was aware of the matter. I made some informal inquiries and was surprised to learn that among the Members of this House whom I queried, no knowledge of such a matter was had.

In light of the fact that our prison system is already overcrowded, and after hearing that we have 53 foreign prisoners in our system already; and knowing that we had to recently expand our prison facility to accommodate them, it is hardly reasonable for us to be expected to accommodate these prisoners. In addition, there is the whole question of financial responsibility for these prisoners. Am I to assume that taxpaying Caymanians will have to bear the financial responsibility for the incarceration of these people?

I cringe at the fact that there has been no public announcement of the impending arrival of these prisoners to our jurisdiction. We do not know what category of prisoner they are, or the duration of the time remaining to be served—we have absolutely no idea. As an elected Member of this House, and as a responsible citizen of this country, I have to express my consternation that these kinds of matters are allowed to take place without any consultation and without the input of the Members whom the people of the Cayman Islands elected to look after their interests. It is a matter which borders on the contemptuous. I hope that some explanation is forthcoming.

I share the matter with my colleagues in the Legislative Assembly and I expect that officialdom can grace us—sooner, rather than later—with an explanation.

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: I, too, have been approached in relation to this story. While the media is certainly a great source of edification, it is not always the source of the full truth. I certainly know of no plans, and have no

official information regarding any proposal to bring any prisoners from Montserrat to the Cayman Islands.

Until such time as the House reconvenes, there is nothing more I can say in this forum. Obviously, if the situation were to change I would expect there to be some official announcement. I know of no intentions at this time.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Perhaps now is an appropriate time to ask some questions. We heard what the Third Elected Member for Bodden Town has learned. We have heard the Government's reply through the Honourable Acting First Official Member. I think what has really been said is that as of now, we really know nothing about it.

What if that ship which was mentioned comes to the George Town Harbour with these people on it? Are we going to hear about it then? What if some type of communication is going on while we speak here, and we know nothing about it? What if, by the time we would like to have a say in the matter, it is too late? What if it is indeed true?

The reason I am asking these questions is because I do not believe that the elected Members are satisfied at present. If it is only a rumour, then we would like to have assurance that that is all it is. If it is a situation where no communication is forthcoming at present to either confirm or deny this, then we need to know that. The only thing we know now is that no Member sitting in here seems to know about it—but that does not mean that something is not happening.

I am asking those who have the authority, and who are able to open the right doors faster than we can, to find out now so that we may know.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Mr. Speaker, the matter which the Third Elected Member for Bodden Town has brought to the attention of this Legislative Assembly is indeed serious. If, in fact, there is no British Warship carrying prisoners steaming in our direction at the present, it is quite possible that there will be in the future.

We know that the situation in Montserrat is very critical. I believe the way in which the British Government is dealing with this situation is appalling. I believe it is very important for us to clearly and categorically state that we are not the dumping ground for the British Colonial remains.

I believe that the United Kingdom exists and has done things politically that are not always in the best interest of the Cayman Islands. Of course, I also realise that we are not responsible for our Internal and External Affairs. But, hopefully, those people who are responsible will at least take the good advice of Members of the Legislative Assembly who are more in contact with the feelings and sentiments of the population of this country.

Caymanian people do not take very kindly to being told, and it is always best to ask. If there is a crisis, we would like to at least have enough time to decide what would be the appropriate humanitarian step to take from this direction. So, my compliments to the Third Elected Member for Bodden Town for having picked up on this, because I think that we might be able to prevent a major crisis in this country.

I know now, because we have spoken in this manner, that the prisoners, if they are coming here, will not be coming here again because there would be no point in bringing them to the Cayman Islands. As he has said, our jails are already overcrowded with foreign nationals who have committed crimes against our people.

As I said, we are appalled—I, in particular—with the offers the British Government is making to the people of Montserrat. I do not understand how a civilised country like Great Britain could be thinking that somehow in this day and age it could resettle people with the amount of money it has offered its citizens. They must remember the days when Montserrat was supplying England with sugar, when slave labour was the labour that they...

The Speaker: Can I interrupt the Honourable Member for a minute?

Standing Order 12(4) says that no more than one matter shall be discussed on that motion. Let us please stick to the matter of the prisoners coming to the Cayman Islands.

Dr. Frank McField: With all respect to you, Mr. Speaker, I do not necessarily believe that you should say that this is a different matter because I bring up the question of slavery here. I do not believe that you are being objective. I am sorry.

The Speaker: I have made my ruling, please abide by it.

Dr. Frank McField: We are big people here. I am talking about something that I do not agree with, and I am stating the reasons why I do not agree with the behaviour. I am asking why this behaviour is taking place in the Caribbean...

The Speaker: May I once again call the Member's... please be seated.

I once again call to the attention of the Fourth Elected Member for George Town the fact that I granted permission for a motion to be moved upon the adjournment. Standing Order 12(4) states "**Not more than one such motion shall be made at the same sitting, and not more than one matter shall be discussed on that motion.**"

We are not having a general debate. We are actually concentrating on the matter of prisoners being transported to the Cayman Islands. The issue of prisoners arriving here is what the motion is all about.

Dr. Frank McField: Mr. Speaker, with all respect, if your ruling will direct the utterances of my conscience, then I would prefer to sit down. Thank you.

The Speaker: Does any other Member wish to speak?
The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: I also am concerned about this news. Yesterday during Question Time, a question was raised with regard to ex-prisoners married to Caymanians being al-

lowed to remain in (or return to) the Cayman Islands after serving their time of imprisonment here. One of the answers from the Honourable First Official Member was that it has never been done (where they are allowed back in after serving their sentence).

I think Caymanians are most sensitive. We have always reached out in times of emergency, or in times of need. But I believe that the Cayman Islands is not a jurisdiction where criminal elements should be allowed to come for any reason, safe keeping or otherwise.

I believe that the British Government has to recognise its responsibility and, if necessary, fly those prisoners to the United Kingdom, or take them by warship, it does not matter. But I believe that if it is a fact that these prisoners are on their way without even consulting the Elected Ministers of Executive Council, then I daresay it shows a total lack of respect for the Elected Representatives of this country. I trust that whoever is responsible will make an official announcement as to the true position as soon as possible.

I do not support this action, and I will never accept that position being imposed upon us in the Cayman Islands.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I too wish to make a few short comments on the matter raised by the Third Elected Member for Bodden Town, and to also thank the Honourable Acting First Official Member for the information he has passed on to us.

Recognising that the subject of Internal and External Affairs is that of the Governor, and not of Elected Representatives, or even Elected Ministers of Executive Council, I nevertheless feel that this matter is emotionally charged, and important to the people of this country. In view of the fact that any funds necessary must come to the Elected Members of this House, I feel that it is our responsibility and duty to question such a very grave matter. I further feel that it is the duty and responsibility of the Official and Executive side of Government to let us have any information that may be available on this.

I understood the Honourable Acting First Official Member to say that he was not aware of any such arrangement being made. I wonder, since this matter is being broadcast to the people of this country, if it would not be better to stop at this point in time and inquire of somebody who should know—His Excellency the Governor. He should know if there is any such arrangement.

I feel that if this matter is true, it would indeed be showing a gross amount of disrespect, not only to the Government of these islands, but to the people of the Cayman Islands. This is a very serious matter and I feel, since the question is still high in the air, that some attempt should be made to find out from His Excellency the Governor if, indeed, this matter is correct, and whether the people of this country should be worried about having people from Montserrat thrown on the people of the Cayman Islands.

This is not the responsibility of the Cayman Islands, this is the responsibility of the British Government. If what we are hearing is the truth, I am appalled that this would even be considered. It shows a total lack of respect for the people of this country.

I again ask that rather than speculate we try to get the truth of this matter. The only person who would seem to be able to give us that at this point is His Excellency the Governor. Since the next officer in line to him, the Honourable Acting First Official Member, is unable to tell us, perhaps His Excellency can lay this matter to rest.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: This afternoon finds me and in utter amazement. I make that statement against the background of efficient and modern communication, knowing we are here not only speculating, but deliberating on a hypothetical issue which in its truest context can cause a lot of concern, not only in the district which I represent, but, indeed, all three islands.

I am of the humble opinion that such a matter can be easily cleared up with a simple telephone call or by fax, and that this Honourable House—in particular the Executive Council (both Elected and Official Members)—should be given the courtesy from the powers that be for this information to be shared. At the end of the day we, the Elected Members, will have to answer to constituents. With that, Sir, I am prepared to wait for an answer.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: I realise that this matter is being raised on the adjournment. I wondered, since it is 3.35 pm, if we could take a suspension and allow 15 minutes to see if we can get ourselves an answer.

The Speaker: If that is the wish of the House, we shall suspend proceedings for 15 minutes.

PROCEEDINGS SUSPENDED AT 3.35 PM

PROCEEDINGS RESUMED AT 3.50 PM

The Speaker: Please be seated. The Honourable Acting First Official Member.

Hon. Donovan Ebanks: Mr. Speaker, I am pleased to inform the House that His Excellency the Governor has refuted the story, stating categorically that no prisoners from Montserrat are coming to the Cayman Islands. I trust that Members will find that acceptable, and that we can move on to further matters.

The Speaker: That concludes the business for today. I will now move the adjournment of this Honourable House until 10 o'clock Monday morning, 1st September, 1997. Those in favour please say Aye... Those against No.

AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned.

AT 3.52 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM MONDAY, 1ST SEPTEMBER, 1997.

**EDITED
MONDAY
1ST SEPTEMBER, 1997
10.29 AM**

The Speaker: Prayers by the First Elected Member for Cayman Brac and Little Cayman.

PRAYERS

Mrs. Julianna O'Connor-Connolly: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please remain standing. Proceedings are resumed.

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

THE LATE DIANA PRINCESS OF WALES

The Speaker: It is with great sadness in our hearts that we stand together in this Honourable House and reflect on the tragic loss of Diana Princess of Wales. On behalf of this Honourable House I wish to express heartfelt condolences to the Royal Family, in particular to their Royal Highnesses Prince William and Prince Harry and her immediate family.

I now ask the House to stand for one minute of silence in memory of the Late Diana Princess of Wales.

(The House stood in one minute's silence in memory of the late Diana Princess of Wales - 10.32 am - 10.33 am.)

APOLOGIES

The Speaker: Please be seated. I have received apologies from the Honourable First Official Member who is away on official leave.

Questions to Honourable Members/Ministers. Question No. 127 is standing in the name of the Second Elected Member for Bodden Town.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

QUESTION NO. 127

No. 127: Miss Heather D. Bodden asked the Honourable Minister for Agriculture, Environment, Communications and Works to provide a list of all road works for the district of Bodden Town that have been (a) completed since December, 1995; and (b) started but not completed this year.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: The Bodden Town Roads' Projects completed since December 1995 are:

1. Savannah Meadows Entrance Roads
2. Roads to Bird Sanctuary
3. Savannah Groves sub-division
4. Road off Spotts-Newlands Block 25C
5. Road to Martin Bodden
6. Road to Christopher McTaggart
7. Plantation Paradise sub-division road
8. A J Miller Road
9. Road to Ken Kelly
10. Access off Cumber Avenue
11. Kitty Clover Avenue (North Cayman Palms)
12. Logwood Avenue (North Sound Estates)
13. Orchid Avenue (North Sound Estates)
14. Belford Estates sub-division
15. Bodden Town Primary School driveway
16. Road off Hirst Road (Athens Jackson)
17. Repair main road - Midland Acres to Breakers (joint project with Water Authority)

18. Main road shoulders - Northward Road to Bodden Town Primary School
19. Road in front of Bodden Town Civic Centre - raised
20. Lemon Road (Northward) - construct extension
21. Road to Churchill Solomon
22. Road across from Pasture Lane (Pedro)
23. Road to Clement Tyrell (Pedro)

Projects currently under construction

1. Doubloon Crescent (South Cayman Palms)
2. Road to Arnold Berry
3. Ellis Conolly Drive (Pedro)

Projects approved and funded - to be completed by end of September 1997

1. Northward Road (section from Steve McField north)
2. Manse Road
3. Cumber Avenue
4. Bedford Estates entrance road

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Would the Honourable Minister undertake to make an assessment with a view to doing some road work on a road off Northward Road called Old Yard Lane? It is not on this list and the road has been in need of serious repair for some time now.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I will definitely ask that this be looked after.

The Speaker: The Second Elected Member for Bodden Town.

Miss Heather D. Bodden: I would just like to ask the Honourable Minister if he would do the same for a road named Celina Drive in the Pease Bay area. I would also like to take this opportunity to thank the Honourable Minister and his staff for the work they have been doing on these roads. I appreciate it very much.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I definitely will check on this road, and I will pass on the lady Member's remarks to my department of Public Works.

The Speaker: If there are no further supplementaries, the next question is No. 128, standing in the name of the Second Elected Member for Bodden Town.

No. 128: Miss Heather D. Bodden asked the Honourable Minister for Agriculture, Environment, Communications and Works to provide an update on the street lights that have been installed in the Bodden Town district for this calendar year.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: A total of 30 street lights have been installed from January through July.

SUPPLEMENTARIES

The Speaker: The Second Elected Member for Bodden Town.

Miss Heather D. Bodden: I again wish to pass on my comments to the Honourable Minister and thank him for making sure that his has been carried out. The people of Newlands are very grateful for the lights that have just been installed.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: I would like to thank the Honourable Minister for his usual speedy concurrence in the request for street lights. I ask that when repairs are being made, especially in Northward, on some of the roads an attempt could be made to install some street lights as I note that there is a particular need, especially around Mike Watler's Crescent and some of the roads leading off of that. If there are any remaining funds this year, would he give us some consideration in this area? I have had several requests from residents.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I would like to say that we have been trying to negotiate with CUC to make sure that we look at all of the requests, not only in that area, but throughout the island. We have requests from just about all over the island right now. However, I will point out that initially we started off trying to do the main roads. Because of MLAs' requests, as well as from others, we have been trying to light as much as possible of the whole island.

I have taken note of his request, and as I said we have a list from probably every MLA in here. We will try to deal with them as speedily as possible.

The Speaker: If there are no further supplementaries, the next question is No. 129, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 129

QUESTION NO. 128

No. 129: Mr. Roy Bodden asked the Honourable Third Official Member responsible for Finance and Economic Development to inform the Legislative Assembly as to the purpose and results of the most recent visit to Washington D.C. by himself and other Government Officials.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: The purpose of the trip to Washington, D. C., was to meet senior representatives of the United States' Administration in order to heighten the awareness of the Cayman Islands in the United States as to the measures and safeguards that have been implemented for ensuring the effective regulation of its financial industry. The results of this trip were very positive as the United States' Representatives had a very welcoming attitude, were willing to listen and to assist in building working relationships with the Cayman Islands for the future.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: I would just make a request that in the future some similar statement regarding trips such as this could be forthcoming in the press. This is a way to curtail speculation and rumours which might not be conducive to the development and best interests of our country. I noticed that there was some report of the visit, but there was no information given as to what was achieved.

I recognise that matters are sensitive and not everything can be disclosed, but even a statement such as this would have helped to promote an understanding of what was achieved.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: The suggestion made by the Third Elected Member for Bodden Town is a very good one and will be followed in the future. This is the first of a series of trips that have been considered and planned by the Government. We recognise the significance of the Cayman Islands as a major financial centre. The role we are playing is very important in the world community.

We have found from past experience that while the understanding of the role we play is accurate in many quarters, there are instances where misinformation and misunderstanding prevail, whether such is contrived or through ignorance.

We have found it important to visit centres such as the United States and we are looking at other destinations to ensure that the information existing on the Cayman islands within the international community is accurate and reflects current developments.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I wonder if the Honourable Third Official Member can say whether the visit to Washington was initiated because of pressure from the Foreign and Commonwealth Office or not?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: This trip was taken on the initiative of the Government of the Cayman Islands, and not through any instruction or insistence from the Foreign and Commonwealth Office.

The Speaker: If there are no further supplementaries, the next question is No. 130, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 130

No. 130: Mr. Roy Bodden asked the Honourable Third Official Member responsible for Finance and Economic Development to state how much money has been collected by the Planning Department for approvals with regard to the erection of real estate signs since January, 1996.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Since January 1996, CI\$1,500 has been collected by the Planning Department for real estate sign applications.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member state what the fee is for erecting each individual real estate sign?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I have been made to understand from the information provided by the Planning Department that the fee normally charged is \$50.00. But the Planning Department has introduced a policy in the past whereby charges are only applied where signs are 4' by 8'.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: May I ask whose onus it is to pay this fee, does the person or organisation erecting the sign

have to first seek permission and pay the fee, or is it up to the Planning Department to levy the fee?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: As the Member will appreciate, this is not a subject that falls directly under the Portfolio of Finance and Economic Development. Rather than give information that is not as accurate as it should be, I can give an undertaking to seek the information and provide it in writing, or at a subsequent meeting of the Legislative Assembly for the substantive question to be directed to the Honourable Minister responsible for Education, Aviation and Planning.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: I have one further question which may be taken into consideration in the proposal made by the Honourable Third Official Member, that is, are there fees for signs smaller than 4' by 8'?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: It would be helpful if I gave a bit of information on what the department is doing.

Recently the Ministry of Education, Aviation and Planning approved a press release regarding signs. Among other things, the press release stated that the following temporary signs, including large real estate signs 4' by 8' require application for Planning permission. The press release is intended to inform the public of the types of signs requiring Planning permission. Strictly speaking, all signs need Planning permission. Over the years, however, the Department and Central Planning Authority have found it onerous to require application for each and every real estate sign. Therefore, the practice has been to require the application for large signs, that is 4' by 8' real estate signs.

Although not specific to real estate signs, the Department is concerned about temporary signs that are not removed according to permission granted, signs that are erected without Planning permission, and signs located on public property.

To that extent a possible solution to the matter is revised legislation giving authority to the Government to remove signs. This would avoid the expense of Government time devoted to often drawn out enforcement proceedings and would send a clear message to the public of the need for Planning permission.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Is the Honourable Member in a position to say if these regulations will also apply to the many 'A' frame signs we find on the sidewalk and public

property along West Bay Road on the Seven Mile Beach strip?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: With the Chair's approval, I will respond to that answer in writing.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: I believe that the Planning Department has taken on more than it can handle. I suggest that some consideration be given for approval of signs which are stationary or permanent. I see a lot of signs along the street, but they are only there until a piece of property is sold. In that case what happens when it is moved?

I am also aware that the Planning Department does not have the manpower to monitor compliance to this requirement.

The Speaker: Would you turn that into a question, please?

Mr. John D. Jefferson, Jr: Yes, Mr. Speaker. Would the Planning Department consider requiring approval only for signs which are permanent in nature?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I shared some information relating to the fees, but to go beyond that would be attempting to give information that I am not conversant with. As I said earlier, I suggest that at a later meeting of this Honourable House, questions raised in relation to this be directed to the Honourable Minister for Education, Aviation and Planning.

The Speaker: If there are no further supplementaries, the next question is No. 131, standing in the name of the Third Elected Member for West Bay.

QUESTION NO. 131

No. 131: Mr. John D. Jefferson, Jr asked the Honourable Second Official Member responsible for Legal Administration if the posts of Registrar and Listing Officer at the Courts Office have been filled, and if so, were they advertised locally.

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: Before I give the answer to this question, I would just like to make it clear that the Courts Office is not a department which falls under the Portfolio of Legal Administration, but is, in fact, the responsibility of

the Honourable Chief Justice. But, by tradition, I respond to any questions that deal with any of his departments. So, on that basis, I am happy to give the answer, which is as follows:

The post of Court Administrator (formerly designated as Registrar) has been filled and the candidate chosen is expected to start work in early October. The post was not advertised locally.

The post of Listing Officer has been neither advertised nor filled. It will be advertised locally.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: Can the Honourable Member state whether or not the candidate chosen is Caymanian?

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: No, the candidate that has been selected is not Caymanian.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: I am aware that it is a requirement in the Service for all posts to be advertised before being filled. I wonder if the Honourable Second Official Member can say why, since the post was not filled by a Caymanian, it was not advertised locally?

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: I am informed that the decision was taken that there was no one locally with the specialised experience required for the particular post. I assume that is why it was not advertised locally. I am also assuming that it was advertised elsewhere, but I do not actually have a definitive answer to that.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: I recall during the Budget Session that this position was discussed in Finance Committee. There was a decision taken to downgrade the level of the position from what was proposed. I wonder if the Honourable Second Official Member can say at what level this appointment was made, salary-wise?

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: No, Mr. Speaker, I am afraid that I am not in a position to give that information. I do not have it and I am not aware of it. I will certainly undertake to obtain that information for the Member and provide it to him in writing.

The Speaker: Before we take another supplementary, we have reached the hour of 11 o'clock. I will entertain a motion to suspend Standing Order 23(7) and (8).

11 A.M.

SUSPENSION OF STANDING ORDER 23(7)&(8)

Mr. Roy Bodden: I beg to move the suspension of Standing Order 23 (7) and (8) to enable Question Time to continue.

The Speaker: Is there a seconder?

Mr. John D. Jefferson, Jr: Mr. Speaker I second that.

The Speaker: The question is that Standing Order 23 (7) and (8) be suspended to enable Question Time to continue. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. STANDING ORDER 23(7)&(8) SUSPENDED TO ENABLE QUESTION TIME TO CONTINUE.

The Speaker: Supplementaries continuing. The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member state what the academic requirements are for the post under discussion?

The Speaker: the Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: I do not have a copy of the job description, so I do not know what the requirements are. I can say that the candidate who was selected has experience of some 35 plus years in the Lord Chancellor's Department in England and Wales. That is the department of Government that looks after and is responsible for Courts Administration and Courts Offices.

The Speaker: If there are no further supplementaries, the next question is No. 132, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 132

No. 132: Mrs. Julianna O'Connor-Connolly asked the Honourable Acting First Official Member responsible for Internal and External Affairs what Government's Immigration policy is in regard to permitting children of non-Caymanian spouses to attend schools in Cayman Brac.

The Speaker: The Honourable Acting First Official Member.

**DEFERMENT OF QUESTIONS NOS. 132 and 133
(Standing Order 23(5))**

Hon. Donovan Ebanks: I beg the indulgence of the House to defer answering questions 132 and 133 as the answers are not yet ready.

The Speaker: The question is that the answers to questions 132 and 133 be deferred. The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Mr. Speaker, before you ask the question can we have a specific date when these questions will be answered?

The Speaker: Honourable Acting First Official Member, can you give us an approximate date?

Hon. Donovan Ebanks: Yes, Mr. Speaker, the next day that the House meets.

The Speaker: Wednesday, then.

Hon. Donovan Ebanks: If the House meets on Wednesday, yes.

The Speaker: The question is that the answers to questions 132 and 133 be deferred until Wednesday. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

**AGREED. QUESTIONS 132 AND 133 DEFERRED UNTIL
THE NEXT SITTING OF THE HOUSE.**

The Speaker: Question No. 134 stands in the name of the First Elected Member for George Town.

QUESTION NO. 134

No. 134: Mr. D. Kurt Tibbetts asked the Honourable Third Official Member responsible for Finance and Economic Development how many contingency warrants have been issued from 1st January, 1997 to 31st July, 1997 and how much is the total.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

**DEFERMENT OF QUESTION NO. 134
(Standing Order 23(5))**

Hon. George A. McCarthy: In accordance with Standing Order 23(5), I would ask leave of this Honourable House to defer the answer to Question No. 134 be deferred until Wednesday's Sitting. The answer to the sub-

stantive part of the question is complete, but relevant supplemental information is being worked on.

THE SPEAKER: The question is that the answer to Question No. 134 be deferred until Wednesday. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

**AGREED. QUESTION NO. 134 DEFERRED UNTIL
WEDNESDAY'S SITTING.**

The Speaker: Item number four is Government Business, Bills, suspension of Standing Order 46.

The Honourable Third Official Member responsible for Finance and Economic Development.

GOVERNMENT BUSINESS

BILLS

SUSPENSION OF STANDING ORDER 46

Hon. George A. McCarthy: I ask the permission of this Honourable House for the suspension of Standing Order 46 to allow the first reading of the Bills as set down on the Order Paper for this morning.

The Speaker: The question is that Standing Order 46. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

**AGREED: STANDING ORDER 46 SUSPENDED TO ENABLE
THE FIRST READING OF BILLS SET DOWN ON THE OR-
DER PAPER TO BE TAKEN.**

The Speaker: Bills, First Readings.

FIRST READINGS

THE PLANTS BILL, 1997

The Clerk: The Plants Bill, 1997.

The Speaker: The Bill is deemed to have been read a first time and is set down for second reading.

THE SPECIAL TRUSTS (ALTERNATIVE REGIME) BILL, 1997

The Clerk: The Special Trusts (Alternative Regime) Bill, 1997.

The Speaker: The Bill is deemed to have been read a first time and is set down for second reading.

THE PERPETUITIES (AMENDMENT) BILL, 1997

The Clerk: The Perpetuities (Amendment) Bill, 1997.

The Speaker: The Bill is deemed to have been read a first time and is set down for second reading.
Second Readings.

SECOND READINGS

THE PLANTS BILL, 1997

The Clerk: The Plants Bill, 1997.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Although the Plants Bill, 1997 is on today's Order Paper, I seek the indulgence of the Chair to have it deferred until a later date. I have heard from the Backbench and they would like to have some input into it, which I have no problem with. I would prefer to have it deferred until a later date so that we can sit down and discuss it.

The Speaker: The question is that The Plants Bill, 1997 be deferred until a later sitting. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: THE PLANTS BILL, 1997, DEFERRED UNTIL A LATER SITTING.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

MOTION TO READ AND DEBATE THE FOLLOWING BILLS TOGETHER

Hon. George A. McCarthy: Mr. Speaker, I would like to ask the permission of the House to allow the Special Trust (Alternative Regime) Bill, 1997 and the Perpetuities (Amendment) Bill, 1997 to be taken together. These Bills are interconnected.

The Speaker: The question is that the Bills be taken together and debated jointly. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: THE SPECIAL TRUSTS (ALTERNATIVE REGIME) BILL, 1997, AND PERPETUITIES (AMENDMENT) BILL, 1997, TO BE READ AND DEBATED TOGETHER.

The Speaker: Bills, Second Reading.

THE SPECIAL TRUSTS (ALTERNATIVE REGIME) BILL, 1997

-and-

THE PERPETUITIES (AMENDMENT) BILL, 1997

The Clerk: The Special Trusts (Alternative Regime) Bill, 1997, and The Perpetuities (Amendment) Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: As Members are aware, a modern and innovative legislative framework is a prerequisite to maintaining the attractiveness of the Cayman Islands as an international financial centre. To this end, I rise to present to this Honourable House the Special Trusts (Alternative Regime) Bill, 1997 (known as the Star Legislation), and The Perpetuities (Amendment) Bill, 1997.

The Special Trusts (Alternative Regime) Bill, 1997 (or Star Legislation, as it is referred to) seeks to permit the creation of non-charitable purpose trusts. The Bill provides an alternative legal framework within which trusts of any description may be created, provided their objects are lawful and not contrary to public policy. Under existing Cayman Laws, trusts can only be established for individual beneficiaries or for public charitable purposes. The new legislation is designed to extend this principle so that a trust can now be established for lawful private purposes.

One example of this might be where a company wishes to place money in a special fund for the promotion of certain arts or crafts, or sports, or for the promotion of commerce, or for the provision of health insurance or other benefits for employees. Such transactions are not easily achieved under the general law as it now stands, and will be much easier with this new piece of legislation.

The Government continues to be responsive to the needs of the financial services industry and promotes appropriate legislation in a timely manner. As such, the demand for new legislation comes from major financial institutions and international law firms within international financial centres, including London, New York, Hong Kong and Tokyo—potential business of a very high calibre—covering a very broad range of commercial and private estate planning transactions, and is entirely consistent with the Cayman Islands image as a sophisticated financial centre.

Nearly all other offshore financial jurisdictions now have legislation for this purpose. These jurisdictions include Bermuda, the BVI, Jersey, therefore the introduction of similar legislation in the Cayman Islands will re-

store our competitive position in this area. Indeed, our Star Legislation has been designed to provide a better and more secure legal framework which should give the Cayman Islands a definite edge.

I will now point out some of the more salient features of this Bill. As provided for in clauses 3 and 4, the existing traditional trust regime will remain entirely unaffected by the Star Legislation. Those who wish to use this legislation will have to make this explicit in the trust document, otherwise the traditional regime will apply.

Clause 6 provides that a special trust may be created for any objects, whether persons, purposes or both, provided they are lawful and not contrary to public policy.

Clause 11 gives the court jurisdiction to vary the terms of a special trust if it proves to be impossible to execute, or, if it proves to be unlawful or contrary to public policy in some respect.

Clause 12 requires that at least one of the trustees of a special trust must be a trust corporation duly licensed under the Banks and Trust Companies Law and certain records must be kept in the Cayman Islands, including the identity of the trustees, the enforcers and settlers, terms of the trust and the property subject to the trust.

Clause 16 prevents land in the Islands from being subject to a special trust. This was done because it was considered undesirable from a public policy standpoint to permit such land to be tied up indefinitely under a special trust. However, a special trust may hold an interest in a company partnership or other entity which holds land in the Cayman Islands for the purpose of its business.

The accompanying Perpetuities (Amendment) Bill, 1997 seeks to exempt trusts formed under the provisions of the Special Trusts (Alternative Regime) Law, 1997 from the rule against perpetuities which is necessary for technical reasons, except as provided for by clause 16 of the Star Legislation.

The Star Legislation and the Perpetuities (Amendment) Bill, 1997 have been the subject of extensive consultation and have the full support of the financial services sector. It is one of a series of legislation required to put the Cayman Islands back at the forefront of developing sophisticated trust legislation. I commend these Bills to this Honourable House.

The Speaker: The question is that Bills entitled: The Special Trusts (Alternative Regime) Bill, 1997 and The Perpetuities (Amendment) Bill, 1997 be give a second reading. They are now open for debate. *(Pause)*

Does any Member wish to speak? *(Pause)*

If not, would the Mover of the Bills wish to exercise his right of reply?

Hon. George A. McCarthy: At this time I will make no further comments on the Bills as presented but will thank Members for their tacit support.

The Speaker: The question is that Bills entitled: The Special Trusts (Alternative Regime) Bill, 1997 and The Perpetuities (Amendment) Bill, 1997 be give a second

reading. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. THE SPECIAL TRUSTS (ALTERNATIVE REGIME) BILL, 1997; AND THE PERPETUITIES (AMENDMENT) BILL, 1997, GIVEN A SECOND READING.

The Speaker: The House will now go into Committee to discuss The Special Trusts (Alternative Regime) Bill, 1997 and The Perpetuities (Amendment) Bill, 1997.

COMMITTEE ON BILLS

The Chairman: Please be seated. The House is in Committee to discuss The Special Trusts (Alternative Regime) Bill, 1997 and The Perpetuities (Amendment) Bill, 1997.

With the leave of the House, may I assume that, as usual, we should authorise the Second Official Member to correct minor printing errors and such like in these Bills. Would the Clerk state each Bill and read its clauses?

THE SPECIAL TRUSTS (ALTERNATIVE REGIME) BILL, 1997

The Clerk: The Special Trusts (Alternative Regime) Bill, 1997.

Clause 1. Short title and commencement.

Clause 2. Interpretation.

The Chairman: The question is that clauses 1 and 2 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSES 1 AND 2 PASSED.

The Clerk: Clause 3. Application.

Hon. Truman M. Bodden: Mr. Chairman.

The Chairman: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: May I just ask for one amendment in subsection (2) of section 3 in the second line the words "that is to say a power which is subject to this Law."

The Chairman: Will you give us the numbers again, please?

Hon. Truman M. Bodden: Section 3 subsection (2) the second line begins with the words "If a trust or power is created by written instrument in exercise of a special power,..." I am asking to insert in there "that is to say a power which is subject to this Law." It is merely for clarification.

The Chairman: The question is that clause 3 be amended. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AMENDMENT TO CLAUSE 3 PASSED.

The Chairman: The question is that clause 3, as amended, do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSE 3 AS AMENDED PASSED.

The Clerk: Clause 4. Ordinary trusts and powers.
 Clause 5. Existing law.
 Clause 6. Objects.
 Clause 7. Enforcers.
 Clause 8. Duties of enforcers.
 Clause 9. Rights and remedies of enforcers.
 Clause 10. Uncertainty.
 Clause 11. Cy-près.
 Clause 12. Trust corporation.
 Clause 13. Theft.
 Clause 14. Unlawful acceptance.
 Clause 15. Foreign element.
 Clause 16. Land in the Islands.

The Chairman: The question is that clauses 4 through 16 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSES 4 THROUGH 16 PASSED.

The Clerk: A Bill for a Law to permit the creation of non-charitable purpose trusts; and for incidental and connected purposes.

The Chairman: The question is that the title do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.
TITLE PASSED.

THE PERPETUITIES (AMENDMENT) BILL, 1997.

The Clerk: The Perpetuities (Amendment) Bill, 1997.
 Clause 1. Short title and commencement.
 Clause 2. Amendment of section 11 - new regime incorporated.
 Clause 3. Additional section 11A of the principal Law.

The Chairman: The question is that clauses 1 through 3 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSES 1 THROUGH 3 PASSED.

The Clerk: A Bill for a Law to amend the Perpetuities Law, 1995, by exempting trusts formed under the Special Trusts (Alternative Regime) Law, 1997 from the rule against perpetuities; and for incidental and connected purposes.

The Chairman: The question is that the title do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

TITLE PASSED.

The Chairman: That concludes proceedings in Committee. The question is that the Committee do report to the House. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: COMMITTEE TO REPORT TO THE HOUSE.

HOUSE RESUMED AT 11.26 AM

REPORTS ON BILLS

The Speaker: Please be seated. The House is resumed. Reports. The Honourable Third Official Member responsible for Finance and Economic Development.

**THE SPECIAL TRUSTS (ALTERNATIVE REGIME)
BILL, 1997**

Hon. George A. McCarthy: I am to report that a Bill entitled The Special Trusts (Alternative Regime) Bill, 1997 was considered by a Committee of the whole House and passed with one amendment.

The Speaker: The Bill is accordingly set down for a third reading.

The Honourable Third Official Member responsible for Finance and Economic Development.

THE PERPETUITIES (AMENDMENT) BILL, 1997

Hon. George A. McCarthy: I am to report that a Bill entitled the Perpetuities (Amendment) Bill, 1997 was considered by a Committee of the whole House and passed without amendment.

The Speaker: The Bill is accordingly set down for a third reading.

Item number five, Other Business, Private Member's Motion No. 4/97, Actuarial Study for the Establishment of a Public Owned Health Insurance corporation. The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddan: Mr. Speaker, the Business Committee, which I chair, put this on the Order Paper. The Member had asked for it to be taken on Thursday. I did not expect that we would have reached this stage so quickly, nor did the Business Committee. I am wondering if you would perhaps allow a short suspension so that I may discuss this with the Honourable Minister....

The Speaker: Certainly. We will suspend for 15 minutes.

PROCEEDINGS WERE SUSPENDED 11.29 AM

PROCEEDINGS RESUMED 12.01 PM

The Speaker: Please be seated. The Honourable Minister for Education, Aviation and Planning.

ADJOURNMENT

Hon. Truman M. Boddan: Thank you, Mr. Speaker. It is the wish of this House, with your consent, that we adjourn until Wednesday, as the Private Member's Motion that was put on today can be more appropriately taken at that time.

The Speaker: The question is that the House do now adjourn until Wednesday, 3rd September at 10.00 AM. I shall put the question. Those in favour please say Aye... Those against No.

AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned.

AT 12.02 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM WEDNESDAY, 3RD SEPTEMBER, 1997.

**EDITED
WEDNESDAY
3RD SEPTEMBER, 1997
10.20 AM**

The Speaker: Prayers by the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

The Honourable Minister for Education, Aviation and Planning.

PRAYERS

Hon. Anthony Eden: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed.

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

APOLOGIES

The Speaker: I have received apologies for late attendance from the Honourable Second Official Member and from the Honourable Minister responsible for Community Development, Sports, Women's Affairs, Youth and Culture who is off the island.

Presentation of Papers and Reports. Report of the Standing House Committee Meeting held March 1997.

**PRESENTATION OF PAPERS
AND REPORTS**

**REPORT OF THE STANDING BUSINESS COMMITTEE
Meetings Held 6, 10, 11 and 13 June, 1997**

Hon. Truman M. Bodden: I beg to lay upon the Table of this Honourable House the Report of the Standing Business Committee for the meetings held 6, 10, 11 and 13 June, 1997.

The Committee endeavours to ensure that it does get as much business on for each day. Occasionally, it is hard to determine how long Members will speak. By and large, we do our best and we normally consult with all Members on matters which go beyond the usual. I am happy, therefore, to lay this on the Table.

The Speaker: So ordered.

The next item is Questions to Honourable Members/Ministers. Deferred Question No. 120 is standing in the name of the Third Elected Member for Bodden Town.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

DEFERRED QUESTION NO. 120

No. 120: Mr. Roy Bodden asked the Honourable Acting First Official Member responsible for Internal and External Affairs what Government's policy is regarding re-entry into the Cayman Islands by foreign nationals who have immigration charges pending in the Courts of the Cayman Islands.

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: Government's policy regarding re-entry into the Cayman Islands by foreign nationals who have immigration charges pending in the courts of the Cayman Islands has been, and continues to be, to allow those foreign nationals to return to face those charges.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member state whether this entry is restricted to the person returning to the Cayman Islands to face the charges, or is he allowed to re-enter the Cayman Islands before the charges are called, on social occasions, or vacations or otherwise for example?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: That would depend upon the circumstances of the particular case.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Am I to understand that as long as the charges are not of a criminal nature in terms of serious criminal offences, that the person would normally be allowed to come and, say, visit for a weekend or so?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: As I said, it would depend upon the nature of the original charge. Obviously, the Member has given some parameters to his question. Without prejudicing what I said earlier, I would expect that a visit for social or recreational purposes of a short duration would normally be entertained.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I wonder if the Honourable Member could give us an indication of the type of charges that would preclude the entry of such an individual?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: There is a whole range of charges that would preclude this. As I said, it would depend upon the circumstances of a particular case. Obviously, if a person were travelling with a forged document, I would not expect that we would want to grant that person permission to re-enter for social purposes. But I cannot stand here and give the Member an exhaustive list of the charges, or potential charges, which would preclude someone from returning to the Cayman Islands for a social visit.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: What I am trying to get is an indication (and I will turn this into a question)... I do not expect him to be a walking encyclopaedia and be able to give an exhaustive list. What we need is an indication of

some of the charges that would preclude such an individual re-entering the Cayman Islands.

I wonder if the Member is in a position to give examples of any charges other than the one he gave of a forged document?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: There is a broad range of potential charges related to involvement in gainful employment without permission, whether outside the terms of a work permit, or where no work permit exists at all. That would also preclude someone from coming back for reasons other than to face those charges.

The Speaker: If there are no further supplementaries, the next question is deferred question No. 125, standing in the name of the Second Elected Member for Bodden Town

DEFERRED QUESTION NO. 125

No. 125: Miss Heather D. Bodden asked the Honourable Minister for Agriculture, and Works.

Hon. John B. McLean Environment, Communications and Works to say which access road will be used as the official entrance to the Pedro St. James National Historic site.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications: The access road to the Pedro St James National Historic Site will be the road currently used, that is, Castle Road.

SUPPLEMENTARIES

The Speaker: The Second Elected Member for Bodden Town.

Miss Heather D. Bodden: Can the Honourable Minister state, seeing as how this road will be used much more once the project is completed, if additional street lights will be installed?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: It is Government's intention to do whatever possible to promote Pedro Castle once completed. If it takes street lights and upgrading of the road, I am certain that we will do that.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister state what possible upgrading of the road will take place?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Thus far the Minister responsible for Pedro Castle and I have not discussed anything with road works. I take that we would do what is the norm, that is, to resurface the road and bring it up to a higher standard seeing that it will have a lot more traffic than at present.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Will any consideration be given to widening that road?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: The possibility exists, but we will have to wait and see exactly what kind of traffic we have on that road. It is my understanding thus far that the present width of the road can handle the traffic that is actually travelling on it.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister state if there are any other roads through which vehicles may gain access to Pedro Castle?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Not to my knowledge.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Some years ago there was talk of a scenic route running from Manse Road and coming out by the old Pedro Castle Road. I wonder if the Honourable Minister in charge of roads can say whether the Government is prepared to investigate the possibility of developing such a road and ascertaining the feasibility of establishing such a road? I think the proposal at that time was to leave about 400 feet of iron shore so that the view of the sea would be unobstructed.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: The Member is correct. There was a lot of talk about it. Some developers actually stated that they were prepared to come forward with funds to construct it because it would help their developments. But, thus far, it has been only talk and no money. I know of no Government plans to construct this road. If developers come forward and actually put their money where

their mouths are, I am sure that Government will try to work along with them.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister state if the road corridor has been reserved, even though it has only been talked about?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: To the best of my knowledge, there was a proposed road corridor.

The Speaker: If there are no further supplementaries, the next question is deferred question No. 132 standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

DEFERRED QUESTION NO. 132

No. 132: Mrs. Julianna O'Connor-Connolly asked the Honourable Acting First Official Member what Government's Immigration policy is in regard to permitting children of non-Caymanian spouses to attend schools in Cayman Brac.

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: Government's immigration policies are contained in the Immigration Law, the Immigration Regulations and the Immigration Directives. There are no immigration policies which are specific to either school attendance or Cayman Brac. Those policies regulate the residence of all non-Caymanians in the Cayman Islands.

Government's education policy in respect of non-Caymanian children is related, however, to the immigration status of those children.

SUPPLEMENTARIES

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Member state whether or not any children of a Caymanian with a non-Caymanian spouse are now attending any of the four schools in Cayman Brac?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: I would not be able to provide an answer at this time, but I will be happy to seek the answer and provide it to the Member in writing.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Thank you. Can the Honourable Member state if he is aware of the fact that there is at least one minor who has not been able to attend the school for some two years, but is allowed to remain in the jurisdiction, taking that against the background that education is mandatory in the Cayman Islands?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: I am not aware of that situation and I would be grateful if the Member would provide me with additional information so that I can look into it.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I wonder if the Honourable Member is in a position to clarify a situation which is causing great concern, not only in Cayman Brac, but here in Grand Cayman as well. It seems to be a Catch-22 situation. When a parent of an expatriate child goes to the Immigration Department for an extension of time for the child to go to school, I understand that the Immigration Department sends the child to the Education Department so that they can get an indication of whether or not the child is accepted; then before the child can be accepted, he is sent back to the Immigration Department to get permission to stay here.

For the benefit of the public (who are really benefiting from these questions), I wonder if the Honourable Member is in a position to say if there is any specific policy on this so that parents will know precisely what their obligations are in this respect?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: The Immigration Board in determining whether to allow a child as a dependant may on some occasions require the parent of a child to demonstrate that arrangements are in place for the child's education, and may make some stipulations as to where that education should be provided. So, it is possible that parents sometimes have to consult the Education Department to ascertain if space is available for that child. They then have to convey that information to the Immigration Department.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I thank the Member for the clarification. I wonder if there is any way his office might be able to advise the public of the proper procedure? I know of cases where parents have been sent back and forth between the Immigration Department and the Edu-

cation Department. It causes much confusion. I wonder if we can get a specific policy on this?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: There is close liaison between the Education Department and the Immigration Department. I will pursue having those departments jointly issued with guidelines. My understanding is that during the current enrolment process the arrangement, they went as far as posting an Immigration Officer at the Education Department during peak enrolment times to assist with fielding some of those inquiries to which the Member eluded.

But if some release of information can further assist, I will be happy to pursue that.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: May I respectfully request that the Honourable Member consider issuing a release at the same time the Education Department publishes the reminder to parents that it is time to begin the registration process for the new school year? It seems to me that such a release at that time would be beneficial.

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: I am grateful for the Member's suggestion and I will take it on board. It sounds worthwhile.

The Speaker: If there are no further supplementaries, the next question is deferred question No. 133, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

DEFERRED QUESTION NO. 133

No. 133: Mrs. Julianna O'Connor-Connolly asked the Honourable Acting First Official Member when the Immigration Law will be amended to make provision for the establishment of an Immigration Board for Cayman Brac and Little Cayman.

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: It is expected that the necessary amendments to the current immigration legislation will be brought to the next Meeting of this Honourable House.

SUPPLEMENTARIES

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Member state who has the responsibility for bringing this amendment?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: I would expect that it would be brought by the Honourable First Official Member.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Member give an undertaking that this will be done in the next sitting, or is it merely speculation? I am asking that with the clear understanding that he is the Acting Honourable First Official Member.

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: I can give no undertaking other than to say that is the intention and aim. Obviously there are various factors beyond our control which could preclude that, but, certainly, that is the aim at this time.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can he give an undertaking that while he is Acting he can ask the Honourable Attorney General to assist in this endeavour, as a matter of priority?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: Obviously, the Attorney General's assistance is necessary. I will be drawing on it and giving the request due priority. I will ask him to do likewise.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: This question is indirectly related to requesting an amendment to the Immigration Law. Can the Honourable Member state when we can expect to have the first meeting of the Select Committee on the Immigration Law, since so many requests are now being made for amendments? I believe this Committee was established in March of this year. If this is done within the time frame expected, many of these issues could be addressed.

The Speaker: I do not believe that directly relates to this question, but if the Honourable Acting First Official Member wishes to answer it, he may.

Hon. Donovan Ebanks: No, I cannot say. Perhaps the Member could put the question to the Member appointed as Chairman of the Committee. Maybe he can answer it.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: We know that the Chairman of that Committee is the Honourable Second Official Member responsible for Legal Administration. He is present. I wonder if he is in a position to shed some light on this particular point.

The Speaker: We are actually straying from the substantive question, but if the Honourable Member wishes to answer, he may. The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: I am happy to answer, Mr. Speaker, but I do not think I can give the Member much information other than to say that we are actively preparing for the first meeting of that Select Committee. I cannot give him a date of when it will be called as yet.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: This may be seen to be straying, but I think that most of us consider this to be a very important issue. I seek your indulgence to impress upon the Honourable Second Official Member responsible for Legal Administration that the Members of the Backbench consider this a very important issue and we would like to start meeting as soon as possible.

I again ask him for some assurance that we will be meeting very soon.

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: I am anxious that when the Committee does meet, it meets constructively. To that end, I and the Clerk of the Committee on my instructions has been obtaining background papers and information for distribution to the Committee before the first meeting. I am hoping that approaching it in that way, when we have our first meeting we can actually get down to some constructive work.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Member give us some kind of time frame?

The Speaker: The Honourable Second Official Member responsible for Legal Administration. That is asking for his opinion, of course.

Hon. Richard H. Coles: A lot of these questions are, Mr. Speaker.

I can tell the Member that at this very moment I am reading a document for the sole purpose of establishing whether it ought to be circulated to Members of that Committee before the first meeting. So, I am very conscious that we need to meet quickly. Of course, Members are only too well aware that during the summer months, attempting to call Committee meetings is not very fruitful because so many people are off the island.

Now that Members are back, we will be looking to hold that first meeting shortly after this present meeting of the Legislative Assembly comes to an end.

The Speaker: If there are no further supplementaries, the next question is Deferred question No. 134, standing in the name of the First Elected Member for George Town.

DEFERRED QUESTION NO. 134

No. 134: Mr. D. Kurt Tibbetts asked the Honourable Third Official Member responsible for Finance and Economic Development how many contingency warrants have been issued from 1 January to 31 July, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: One hundred and sixty-five (165) contingency warrants were issued in the period 1st January 1997 to 31st July 1997, to the value of \$59,163,159. These warrants covered the following categories of expenditure, with categories 1 and 2 having been necessitated by the fact that the 1997 Budget was not approved until April:

1. Second quarter release of recurrent expenditure: \$ 40,682,109
2. Capital expenditure for ongoing projects: \$ 12,419,376
3. Unbudgeted recurrent and capital expenditure: \$ 6,061,674

The warrants issued under categories 1 and 2, which are recurrent and capital expenditure, were automatically cleared by the passage of the Appropriation Law, 1997. Those issued under category 3 require Finance Committee approval.

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: As the Honourable Member is aware, it is customary for Finance Committee to meet every quarter. Can the Member give the specific reason why Finance Committee has not yet met to deal with category 3?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: The Member is correct. Finance Committee normally meets every quarter, or as often as necessary. Normally, to have unbudgeted recurrent and capital expenditure of this sum requires not only Finance Committee's approval, but to explain to the Committee how these expenditures will be sourced. The agenda for Finance Committee has been developed and is ongoing by the Budget and Management Services Unit.

A review is currently being conducted to see where savings can be realised within the various departments that have requested releases under contingency expenditures. Often it is found that these contingencies will not necessarily result in over expenditure as such. While there may be shortages under specific subheads, or heads within the Budget, there are off-setting savings within the departments.

So, it is expected that within another two to three weeks there will be a meeting of Finance Committee, at which time necessary approval will be sought. This Honourable House will then be updated as to the Government's financial position and, most importantly, how the expenditure (approval for which Finance Committee will be asked to give) will be financed.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Member state what portion of category 3 is recurrent expenditure and what portion is capital expenditure?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Of the \$6 million, I have details on hand to the value of approximately \$4.2 million. While it does not specifically show the value under capital and recurrent, it seems to be approximately half for capital, and half for recurrent expenditure.

I can make a copy of this available to the Member.

The Speaker: The First Elected Member for George Town.

SUSPENSION OF STANDING ORDER 23(7)&(8)

Mr. D. Kurt Tibbetts: Mr. Speaker, it is 11 o'clock. So, I beg to move the suspension of Standing Order 23(7) and (8) to enable Question Time to continue.

Mr. Linford A. Pierson: I beg to second the Motion.

The Speaker: The question is the suspension of Standing Order 23(7) and (8) to enable Question Time to continue. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. STANDING ORDER 23(7) AND (8) SUSPENDED TO ENABLE QUESTION TIME TO CONTINUE.

The Speaker: Supplementaries continuing. The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Member state which of the three categories listed in his answer reflects the \$280,000 for road works in Cayman Brac which was not budgeted.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: That would be under category 3, within the \$6 million amount.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Is the Honourable Member in a position to say whether this item for \$280,000 has already been placed on the agenda under this category?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Yes.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Member state who made the request for these supplementary unbudgeted funds?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I have been made to understand that of this sum approximately \$100,000 is as a result of a request by District Administration. But I will have to consult with the Director of Budget and Management Services to see who would have requested the balance.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Taking full cognisance that I am fairly new at procedures, is the Honourable Member in a position to say whether it is normal for a request to be made for such a large amount of supplementary without having the courtesy of notifying the First Elected Member for Cayman Brac and Little Cayman.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I would like to think about my response to that question before I advance any view on it. We have to bear in mind that controlling officers within Government are empowered in the carrying out of their duties and responsibilities. Therefore, when a request is initiated by a department, the assumption is made that the normal courtesies, where necessary, would be extended. There are several questions that could be asked, but normally when a request comes to the Portfolio of Finance and Development, and when it is to be passed on to the Director of Budget and Management Services Unit, it would be assumed that the normal clearance and discussion would have taken place prior to the request being officially submitted.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I feel sorry for the First Elected Member for Cayman Brac and Little Cayman, but I can advise her that it happens for the district of George Town also.

Be that as it may, I wonder if the Honourable Member could state that if it is safe to say that of category 3 (\$6,061,000) unbudgeted recurrent and capital expenditure, that when the next Finance Committee meets there will be at least \$6 million of supplementary expenditure being sought?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Yes.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Member give us an indication of how much more besides this \$6 million is involved?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I will not be able to comment on that until the agenda is agreed on by Executive Council.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: At the last meeting of the House, the Honourable Third Official Member informed us that there was an amount of \$17.5 million on the surplus and deficit account. In light of the information given today, with an unbudgeted recurrent and capital expenditure of \$6 million, and perhaps other expenditure, I wonder if he is in a position to give an indication of what the surplus and deficit position is at this point in time?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I will not be able to give the specific figures at this time. There is a substantive question that will provide the response the Member is seeking. The Treasury has finalised the figures up through 30th June. The answer will provide that information (although the question is seeking for information as at 30th July).

As the Member is aware, being a past civil servant and also at one time the Deputy Financial Secretary, at the beginning of the year there is a bulk in terms of revenue collected. This diminishes as the year progresses. To look back at what the position would have been at an earlier point does not necessarily mean that will obtain at a subsequent point.

We can say that as of 30th June, from the information provided by the Treasury, the revenue is approximately 1% ahead of the targeted position (looking at trends). We are expecting that we should have a favourable position over all at the end of the year.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I wonder if the Honourable Member is in a position to state whether the 165 contingency warrants which he *advised* have been issued between 1st January and 31st July is in keeping with the policy of the Finance and Audit Law, specifically the policy of the Auditor General?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: The answer to that would be yes. We are looking at an unusual year. Had 1996 not been an election year, and the Budget approved for the year 1997, we would not have had this number of contingency warrants.

The Auditor General can comment in terms of what the interpretation would be of the Public Finance and Audit Law. We have had discussions on this and have seen his views as set out in the Audited Accounts for 1996, but I would like to reserve my comments at this time in order to formulate a response to the position he has advanced.

The Member will appreciate the unusual situation with 1997 in that Government had to continue on an ongoing basis and the necessary authorisation had to be given. I should also point out that the sum of \$47 million approved in 1996 in terms of various warrants issued to the departments of Government are also caught up in that number as well.

Although approval was put in place and provisions of the Public Finance and Audit Law used, all of this is embraced within the 165 'contingency warrants.'

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: In light of the information contained in the substantive answer, that the Budget was

approved by April, why is it that an unbudgeted \$6 million was later approved? How does the late approval in April impact on what seems to have been an unbudgeted expenditure of over \$6 million?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: As Members will appreciate, regardless of how astute or careful the Government acts, there will be areas of expenditure that could not be precisely anticipated.

For example, a sum has been budgeted for the Harquail Bypass. Because of the urgency, and given the critical situation with the traffic along West Bay Road, the Government has decided to expedite that project. There are several other projects that have, of necessity, been expedited because of the demand for the services they will provide. Others could not have been foreseen precisely.

This is why we have a culmination of requests amounting to this sum of money.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Is the Member saying that the items he just listed, which are so important, are included in this \$6 million, such as the work being done on the West Bay Road?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: For example, the Government took a decision in order to alleviate the traffic congestion on West Bay Road to extend the third lane there. This was not considered initially when the Budget was prepared. Information can be provided by the Honourable Minister with responsibility for roads. The Member can see that work is currently progressing along the West Bay Road to facilitate this. This has been estimated at a cost of \$450,000. We have other expenditure which could not be precisely anticipated—overseas medical entailed cases of approximately \$1.1 million.

With the best historical data available, a sum can always be budgeted, but there will always be unusual cases arising where the incurring of expenditure can be very substantial. I am pointing this out to expand upon the information given earlier.

The Member will recall that a significant sum of money was put into the Budget for the Harquail Bypass. This is not additional expenditure that is anticipated. That has not been caught up in this \$6 million as yet. But because of the fact that there is a need to expedite the work on that road in order to have it completed much earlier than anticipated, it will incur additional expenditure during the course of 1997.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: I wonder if the Honourable Member can say whether or not the \$400,000 which was budgeted is included in these contingency warrants which have been released to Cayman Brac and Little Cayman as of today?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: All the expenditure which have not been budgeted for would be included in the release of contingency warrants.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Hon. George A. McCarthy: Can the Honourable Member then confirm whether or not there is money remaining of this \$400,000?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: There could be funds from that \$450,000 remaining, but the exact amount would have to be provided by the Public Works Department.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: On a point of clarification, am I to understand that although the Honourable Member is not in a position to say exactly what amount of funds remain, it is not the case that there are no funds?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I am saying that I cannot give the definite position. It could be that a substantial part of the \$450,000 would have been exhausted already; or the larger part could be remaining unspent. The Chief Engineer of the Public Works Department is the controlling officer for that expenditure. It depends upon what warrants have been released to him and what has been expended against it. That is the response I can give at this time.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Member give an undertaking to supply as of today's date what has been released for the budgeted roads, and what amount remains?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I will be happy to provide that information for the Member.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: In light of the information we have received to date of Government's expenditure, and also in the light of the financial position we were given at the end of March 1997, I wonder whether the Honourable Member could state whether the Government is in a position, based on the vast amount of expenditure to date, to continue this trend and whether or not we may be in danger of running out of funds by the year's end?

The Speaker: I do not think that is really a supplementary. I cannot allow that. It does not come out of the substantive answer.

The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr.: I recall that during the Budget Session of 1997 (and I am referring specifically to Cayman Brac and Little Cayman) that there was a process with regard to roads. Certain roads were identified to be done with the allocated funds approved by Finance Committee.

My question to the Honourable Member is, what option does an Elected Member have if funds are spent for projects other than those specifically approved in the Budget?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I indicated in a response I provided earlier that when controlling officers are appointed to their various positions they are empowered and given certain responsibilities. If the Chief Engineer, or the District Commissioner, or a controlling officer from another Government Department is authorised under the Appropriation Law to incur certain expenditures, the Portfolio of Finance and Development normally accepts a request put forward as consistent with the approval that has been granted. It does not necessarily mean that once this request comes in (and the Member asking the question can appreciate the difficulty involved in anticipating all of the processes and courtesies that should normally be extended) the Chief Engineer who has the agency appointment for so many departments of Government has consulted the various Elected Members providing representation for the various districts.

We are a small community. Where it would have been appropriate for such to have been done, and where it is not done, the best thing the Member can do is to write to the Minister with responsibility for the subject, pointing out what his concerns are and suggest the line of communication that should have taken place.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: As stated earlier, in June 1997 we were informed that there were \$17.5 million on the surplus and deficit account. We have just been provided with information that there is an unbudgeted amount of \$6 million that will come out of those funds. My question is (and I believe that this is relevant): If the \$6 million at the end of July was extrapolated to the end of the year (31st December) can the Honourable Member give an indication of whether or not we have sufficient funds available or whether we might have to seek additional funds?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: As at the end of June, the approximate balance of the surplus and deficit account was in the region of \$20 million. I indicated that the revenue at the beginning of the year is normally bulked. Where we have a balance on the surplus and deficit account, that balance at the end of May, for example, would be much larger. For example, there are certain fees which are paid within a certain time frame—bank licensing fees, company registration fees, etcetera. Certain fees are paid as at 31st January. So, it is normal, in terms of the Government's cash flow projection to look at the money and to manage it to make sure where we have the bulk of the revenue collected at the beginning of the year, that sufficient funds remain to take care of the Government's expenditure needs throughout the end of the year.

We have amounts that are collected on a uniform basis, some more so towards the end of the year, such as, customs import duty. What takes place is that there is a need to have prudent management in place.

I also indicated that in terms of this \$6 million it does not necessarily mean over expenditure, although contingency warrants have been released. That is not necessarily the case. The Government's budgeting process is such that where for example the Portfolio of Finance and Development allocated \$10 million, we could have a savings on one sub-head significantly more than what is being sought by way of contingency warrants under another sub-head.

The entire picture has to be taken into consideration. We have seen where we have had the Budget approved for a certain sum, subsequent approvals of Finance Committee would have taken the limit much further. But, when we look at the overall expenditure at the end of the year, it turns out to be much less than the original appropriation.

Prudent fiscal management will have to prevail. If the Government would ever be unable to meet its obligations throughout the year, that would have to be looked at very carefully. If it is a question that borrowings would have to take place, Executive Council would first have to be apprised of this through the Portfolio of Finance and Development.

We are expecting that we will be able to meet the expenditures of 1997 from the sources of revenue that have

been identified in the Budget, and also the borrowings approved by this Legislative Assembly.

The Speaker: I have exercised a lot of patience, and we have actually had 19 supplementaries on this particular question. I will allow one further supplementary.

The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you for your kindness, Mr. Speaker. The very last part of the Honourable Member's answer, he stated that it is anticipated that recurrent revenue will take care of expenditure through year end. Does this bear in mind the capital expenditure approved in the 1997 Budget, or is this with the anticipation that a large portion of that capital expenditure will not occur?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: It comes down to a question of priorities. For example, if funds have to be used on projects arising during the course of the year which were not included in the original Appropriation Bill, it does not necessarily mean that the Budgeted projects will be scaled back. But, it is a question of looking at the available resources—if need be, not only on the capital side, but also on the expenditure side (or what would have been included in the capital budget) but also on the recurrent side.

The philosophy of the Cayman Islands is to maintain a balanced budget process, which means that at the end of the year, the expenditures should be met from the sources of funds that have been available during the course of the year. This accounts for the success that we have enjoyed up to this time, and what we hope to maintain in the future. To do otherwise could be somewhat imprudent.

The Speaker: The next question is No. 135, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 135

No. 135: Mr. Roy Bodden asked the Honourable Minister for Agriculture, Environment, Communications and Works to provide a list of Government Offices leased by Government giving name of departments occupying, duration of lease and cost per month.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Thank you, Mr. Speaker.

Department	Premises	Duration of lease	Cost per month
AIDB/HDC	Elizabethan Square	2 years wef 1/12/96	\$1,995
Courts	Kirk Building	2 years wef 1/8/96	\$7,871
		2 year	

Department	Premises	Duration of lease	Cost per month
Women's Office	Elizabethan Square	option 2 years wef 1//6/96	\$990
Internal Audit	Cricket Square (presently being re-viewed)	2 years wef 1/11/95 2 year option	\$2,917
Department of Tourism	Cricket Square	5 years wef 1/1/95 5 year option	\$5,994
Customs	Port Authority Building	month to month	\$667
Drug Secretariat	Paddington Place (presently being re-viewed)	2 years wef 19/1/96 1 year option	\$2,000
Drug Counseling Centre	Paddington Place (presently being re-viewed)	2 years wef 21/1/97 2 year option	\$2,000
Post Office	West Shore Centre	5 years wef 1/5/96 5 year option	\$6,760
Immigration	Port Authority Building	month to month	\$667
Economics and Statistics; Statistics; Shipping Registry; and Monetary Authority	Elizabethan Square	3 years wef 5/12/96	\$17,626
TOTAL:			\$52,312

Note: The above excludes the use of premises at the Airport which is on-going and not at the present time subject to a formal lease. Also excluded are the premises occupied by the Cayman Stock Exchange in Elizabethan Square.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister state whether any of these are leases with option to purchase, or are they straight leases?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: To the best of my knowledge, they are straight leases.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister state what advantage to Government such an arrangement is?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Would the Member repeat that please?

Mr. Roy Bodden: Can the Honourable Minister state what advantage Government derives from such leases?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: The most I can say on that is that Government actually needs space to continue to operate. I guess it would be the use of the premises.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Based on the cost of renting today, and this information (for instance for one rental area we are paying almost \$18,000 per month), can the Honourable Minister state whether or not Government has considered a feasibility study to determine if it should provide its own accommodation?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: That is a good question. But the figure of \$17,626 happens to cover Economics, Shipping Registry and the Monetary Authority and Stock Exchange. If you divide that it comes out to a lot less than what we are paying for the Post Office at the West Shore Centre, which is \$6,760.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I noticed that the West Shore Centre's five-year lease is with effect from May 1996. I wonder if the Honourable Minister can state what type of feasibility study has been undertaken, if any, to determine the cost per square foot of the Economic and Statistics, Shipping Registry, etcetera, which he referred to, that costs \$17,000 per month.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: It is my understanding that in all rentals by Government the square footage is looked upon on the various requests by the departments. Thereafter, Government tries to shop around to find where it is most economical and suitable for the departments to actually be housed. As far as I know, this is what took place in regard to what the Member is referring to. I think the normal procedure was in play when we actually took the rental.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: This is quite a significant sum to be paying for rent. May I respectfully request, bearing in mind the decision to rent does not rest with the Minister assuming the responsibility for answering this question, that the Government seriously consider... and may I get an undertaking from the Minister that he will try to impress upon the Government the necessity to seriously consider (a) undertaking some kind of feasibility survey with a view to determining the effectiveness and efficacy of acquiring their own building or buildings; or (b) making some assessment as to whether some of these properties can be had on a lease purchase, or some kind of lease to own arrangement?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I take note of what the Third Elected Member for Bodden Town has said, and I would like to inform the House that Government is actually looking at providing its own facilities. Until that time, the Government must continue to operate. As a short term measure, we have to take the action which we have. As things progress, I will give the House an undertaking to inform them as to what I know about providing another Government facility. It has been a recommendation of my Ministry.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: I would like to draw the Honourable Minister's attention to the Post Office at the West Shore Centre where it is close to \$7000 per month. Taking into consideration that the Crown owns a large track of property just a short distance west of the West Shore Centre, has any consideration been given to establishing a district Post Office on this track of property?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I do not think any consideration has been given to constructing a Post Office there. While I did mention the figures on this West Shore Post Office, I would like to say that that Post Office serves a great purpose in that area. Although we may consider the rent a bit high, it is actually servicing the people in that area and causing us to not have as much congestion here in George Town as we would normally have.

Government has not taken any action as far as constructing one in that area, but the fact remains that we could look at it and, if the need arises, and Government agrees, I guess we could do it.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I agree 100% with the Minister, that the West Shore Post Office does indeed provide a very useful service. I wonder if he could say what the long term plans are for developing our own office accommodations?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I think I answered that a while ago. I said that Government had taken no final decision in regard to building, although it has been a recommendation from my Ministry that we should look into it; and I will enlighten the House when I know something further on it.

The Speaker: If there are no further supplementaries, the next question is No. 136, standing in the name of the First Elected Member for George Town.

QUESTION NO. 136

No. 136: Mr. D. Kurt Tibbetts asked the Honourable Minister for Tourism, Commerce and Transport to outline the method by which financing was arranged for the new crane purchased by the Port Authority.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Litigation is in progress between the Port Authority and a private company in relation to this crane. The matter is, therefore, sub judice. Consequently, it is inadvisable at this time to provide an answer to the question as the issue of financing may well be considered during the course of the litigation.

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: In asking this question, I considered the existing situation very carefully. I held the view then, as I do now, that the question that is being asked has no bearing on the litigation that is taking place.

You, sir, approved the question. I would ask you now to make a ruling.

The Speaker: This Honourable House is aware of the pending litigation. The financing of the crane has been discussed at length in this Honourable House on several previous occasions. I do not see where what we discuss here today can be of further knowledge to the public or this Honourable House. I think we should proceed with the next question. My ruling is that this question should not be answered at this time because it may be considered sub judice.

The next question is No. 137, standing in the name of the Second Elected Member for Bodden Town.

QUESTION NO. 137

No. 137: Miss Heather D. Bodden asked the Honourable Minister for Education, Aviation and Planning to provide an update on the status of the Savannah Primary School bus.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The arrival of the Savannah School Bus as well as the George Town School Bus and the Red Bay School Bus has been delayed due to the fact that special equipment was needed to convert the entry door of each bus from the right to the left side of the school bus, so that it was suitable and safer for driving on the left on Cayman's roads. This work was completed by First Class Coach and Equipment, Incorporated, in the United States of America, and the company's delay in completing the work is due to the fact that Cayman's special order to change the door of each bus from the right to the left side required parts designed for driving on the left which the company does not normally stock.

First Class Coach and Equipment, Incorporated, has staggered the delivery of the school buses upon completion of the installation of entry door on each bus. The delivery of the first school bus to the Miami port for shipment was to be done on 13th August; likewise, the second school bus and the third school bus were to be delivered to the Miami port on 22nd August and 29th August respectively. It should be noted, however, that new American legislation requires that the vehicles for export remain at the United States' port for a minimum of 72 hours after arrival at the port, before a shipping company can be permitted to access the cargo for loading in order to allow a thorough and complete check of vehicles for legal export by United States' authorities. All three buses should be in Cayman by the end of September.

SUPPLEMENTARIES

The Speaker: The Second Elected Member for Bodden Town.

Miss Heather D. Bodden: I want to take this opportunity to thank the Honourable Minister. I know the Savannah Primary School will be happy to hear this. But, can the Honourable Minister state what type of bus and what year bus the Savannah Primary School is getting, and how many students will this bus accommodate?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The bus is new, I believe. Subject to getting the specifications from the development of vehicles, I think it is a 60 or 72 student bus.

The Speaker: If there are no further supplementaries, that concludes Question Time for this morning.

Proceedings will be suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 11.47 AM**PROCEEDINGS RESUMED AT 12.22 PM**

The Speaker: Please be seated. Proceedings are resumed. Item number four, Government Business, Bills, Third Readings.

GOVERNMENT BUSINESS**BILLS****THIRD READINGS****THE SPECIAL TRUSTS (ALTERNATIVE REGIME) BILL, 1997**

The Clerk: The Special Trusts (Alternative Regime) Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Mr. Speaker, I beg to move that a Bill entitled, The Special Trusts (Alternative Regime) Bill, 1997, be given a third reading and passed.

The Speaker: The question is that a Bill entitled, The Special Trusts (Alternative Regime) Bill, 1997, be given a third reading and be passed. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: THE SPECIAL TRUSTS (ALTERNATIVE REGIME) BILL, 1997 GIVEN A THIRD READING AND PASSED.**THE PERPETUITIES (AMENDMENT) BILL, 1997**

The Clerk: The Perpetuities (Amendment) Bill, 1997

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Mr. Speaker, I beg to move that a Bill entitled, The Perpetuities (Amendment) Bill, 1997, be given a third reading and passed.

The Speaker: The question is that a Bill entitled, The Perpetuities (Amendment) Bill, 1997, be given a third reading and be passed. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: THE PERPETUITIES (AMENDMENT) BILL, 1997, GIVEN A THIRD READING AND PASSED.

The Speaker: The next item on the Order Paper is Other Business. Private Member's Motion No. 4/97, Actuarial Study for the Establishment of a Public owned Health Insurance Corporation. The Fourth Elected Member for George Town.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

Private Member's Motion No. 4/97

ACTUARIAL STUDY FOR THE ESTABLISHMENT OF A PUBLIC OWNED HEALTH INSURANCE CORPORATION

Dr. Frank McField: I beg to move Private Member's Motion No. 4/97 which reads:

"WHEREAS the Government of the Cayman Islands has passed legislation requiring all persons to have health insurance;

BE IT NOW THEREFORE RESOLVED THAT the Government consider contracting the services of an internationally recognised management firm to:

- 1. investigate the feasibility of the Government establishing a public owned corporation to provide health insurance;**
- 2. determine what the premium should be for the health insurance package specified by the Law;**
- 3. recommend the organisational and managerial structure for the public health insurance corporation;**

AND BE IT FURTHER RESOLVED THAT such reports, as produced by the management firm, be laid on the Table of this Honourable House with the decision of the Government on the matter."

The Speaker: The Third Elected Member for West Bay.
Mr. John D. Jefferson, Jr: I beg to second the Motion.

The Speaker: Private Member's Motion No. 4/97, having been duly Moved and Seconded is now open for debate. The Fourth Elected Member for George Town.

(12.27 pm)

Dr. Frank McField: Since I first got an indication from the Members of the Legislative Assembly that they might be willing to consider such a Motion, I have been trying to

formulate a Motion that would be acceptable to everyone. It has gone through quite a few changes in terms of what I would be expecting them to support.

I must explain that part of the reason is that my knowledge in this particular area is very limited, and I have had to depend upon sources over which I had no control for information that would have allowed me to form the Motion and speak to it in a sensible manner.

I have attempted to do my best in terms of formulating the Motion in such a way as to not inconvenience the Government in its attempt to get along with its job of providing a law and regulations for health insurance for all of the people of the Cayman Islands.

This Motion does not reflect in any way upon the job the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation has been doing. This Motion seeks to give the people of the Cayman Islands, including Legislators, the benefit of the doubt by giving us the opportunity to look at all sides of this particular question—the question of health insurance. I know that it is not easy to find solutions for the question of health care and who will be responsible for paying for health and health care.

Many countries have tried different styles of health insurance. I ask that we be given more information as to the different ways in which other countries have dealt with legislating health insurance and the behaviour of the institutions responsible for providing these types of insurance policies.

I think that every Member of the Legislative Assembly is interested in giving much thought and consideration to issues which come before them. I feel that each of us could benefit from more expert advice. It is not to say that a good job was not done in terms of the Minister's presentation regarding public health insurance. But he happened to have benefited from associating with people who were very experienced in the question of health insurance. This is the more technical side of the question and I would like to see more Members of the Legislative Assembly, and the public also, provided with more information.

The question of how we insure the persons in our society, enabling them to be treated in times of sickness, is not just an issue of how best we can make a profit, but it is also the human issue. It is also a political issue; and I feel especially concerned when we live in a society where rapid development has meant that Caymanian people as a group are no longer in control of the economics of the society in which they live.

I am not speaking against development because it has many, many positive aspects. But there are social and political drawbacks. I think that in trying to form and maintain a stable, prosperous and harmonious society, it is necessary to do whatever we can to see that the people believe that they do have control over certain aspects which concern their lives. I think in the area of health it is very important that the people feel they have some say and some control.

I think it is important that the people do not feel totally powerless in determining their future and how business will be conducted in the future. It is not always possible

for us to be absolutely in control, but sometimes there is some control left to us and we should make the choice to seize that control—we drive the car, the car does not drive us; we drive the economy, the economy does not drive us.

It is very easy for us to fall back into the feeling that all of the decisions we make in this country in regard to the way we should live together should be based upon market factors rather than on social principles and feelings and values.

This is one instance where I am attempting to assure that the Government, meaning the people of these islands, is involved in the question of health. I think that this question is the essential question when we talk about Caymanian humanity, Caymanian heritage and identity. This is one area where I feel that if we lose the ability to determine how the citizen is affected in regard to health, that we will be losing a very important part of our tradition and heritage. We would be taking from the people that last opportunity to make important decisions as to what happens.

Government involvement in private enterprise is not something that is favourably looked upon in most countries. But we must realise that the Cayman Islands is not like most countries. The Cayman Islands is uniquely different because it did not produce that entrepreneurial class of people that had sufficient capital to invest in the many forms of businesses that we have found necessary to become involved with in order to develop and supply our people with the types of commodities and services they now demand.

It is important that the people of the Cayman Islands act collectively to maintain a certain measure of economic control. The fact that the economic climate is good in the Cayman Islands does not mean that Caymanians own. . . there is a difference between Caymanian people owning the engine of the economy and the Caymanian people benefiting as workers in the economy.

What I am talking about regarding the creation of a corporation that would sell health insurance to the people of these islands is the ability to not say *'Let's not get involved in this because it did not work in England or Australia, etcetera.'* I ask that we do a study from our point of view, looking into our uniqueness as a country with a very small population. Let us look into it from the point of view that we are a country which needs to continue to have a say in what happens at our hospital—not just from the point of view of providing technology, but from the point of view of how much a person pays to have access to that technology.

These are the types of considerations I have been able to make. The proof of whether or not this would be useful, because we are not asking the Government to commit itself (we do not have the power to commit Government), we are asking Government to consider it. But I believe that if the consideration is based upon feasible, logic principles, that consideration will lead to a particular action that would result in Government actually having this study done by a management consultant firm.

My Motion is trying to cooperate with the Government in asking that a management consultant firm be used, and not an actuarial study. I appreciate that that would not be what the Minister would find favourable and might not necessarily provide me with the type of social and economic information that I might need. I might be too mathematical.

I think it is very important that we realise that this might be one of the last opportunities the Government of the Cayman Islands has to become involved in some type of profit making venture. I think it is important to realise that we still have the opportunity to make choices, that it is not always good and necessary—there is no law that says Government should only earn money by means of taxation. When Government is in a situation like we are today, where the economy is growing at a rapid rate, the amount of capital needed to become involved in investment is so massive, Government, because it is a collective grouping together of a majority of the people does have the capacity to provide the type of capital to do things that would cause Government to make a profit and therefore need to tax the people less when it comes to raising money.

We have already seen the example of the Port Authority and Cayman Airways, as far as Government being involved, but in some cases we get involved because it seemed natural for Government to do so; whereas, in the case of Government being involved in insurance it does not appear to be natural or necessary. It is not just a question of other companies being available to provide health insurance, but also of being in there with those available providers to the extent where Government could act as a positive free enterprise regulator of the premiums that might be set. Government would not necessarily say that this amount must be charged, but it could be more realistic in terms of determining what they might charge, causing a much more competitive atmosphere among those providers. Those providers might not necessarily be able to get together, three, four or six of them, and decide what they are going to go for so that they do not lose profits and fall apart.

The other question is when a person gets to a particular age who will insure them? Maybe a private insurance company would be interested in insuring me until I get to the age of 55 or 60, or 70, and then they will no longer be interested because the contract I have with them has to be renewed every year. Of course, if my health starts to deteriorate there is always the risk that I might not be able to get that type of insurance.

So, the question is what are we going to do with the older people? When we become older, what will happen to us? Will these insurance companies still be interested in us? Basically, insurance companies are interested in profit. I am not saying that a Government corporation should not be interested in profits. They should. Maybe profit will not be the only consideration. It could be a major consideration, but not the only consideration. The interest in which the Government's own corporation would have in maintaining the health of the society could be slightly different.

There is also the question of insurance companies coming in and being involved for the period of prosperity, the periods in which the country is very prosperous. We do not know what will happen tomorrow. God forbid, but it is possible that this will not be the same place. The companies might not show the same interest in providing us with good rates for insurance. It is possible that we will have more unhealthy people. At present our people are very healthy.

We should keep the doors open. We should increase the possibilities and not decrease the possibilities for an improved atmosphere for benefits when it comes to what insurance companies will be willing to give up. Therefore, Government, by example rather than by sitting on the sidelines trying to regulate through legislation, might be in able to regulate through participation. I think that it is important that we at least allow ourselves the possibility to acquire the information needed to determine if this exercise might be beneficial to us in the future.

Nobody is saying that what has been done by the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation and his advisor is insufficient. We are saying that we could go one step further and at least provide the public with the assurance that we have done the necessary research and consideration to prove that this is possible or impossible.

My Motion is asking that Government consider. . . and I hope that it will find support in this Legislative Assembly. I shall give other Members the opportunity to express themselves, because I know there are a lot of people who believe there might be some credit to this Motion.

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: I rise to give my response to Private Member's Motion No. 4/97, entitled Actuarial Study for the Establishment of a Public Owned Health Insurance Corporation. The second line of the Resolve Section the words "internationally recognised actuarial firm" has, by an amendment to the Motion been replaced with "management consultant firm."

I would like to make it clear at the outset of my debate that I respect the genuineness of the Mover's and Second's motives in bringing it before this Honourable House.

The issue of health insurance affects us all. For some 20 years now, it has been around in one form or another. A previous effort to implement a National Health Insurance Law gave rise to such widespread concern following the 1992 election that it was suspended.

Ever since becoming Minister responsible for Health some three and one half years ago, I and my Ministry, and the Health Insurance Advisory Committee have been working many long hours to produce a workable law, particularly one which afforded benefits to those over 65 which the Mover spoke about, as well as those under 65, but with one premium applying to all. Our efforts culminated in the Health Insurance Law being passed in this Honourable House in July of this year.

In my contribution to the debate at that time, and on many occasions since, I stated that no law was perfect and no law pleases everybody, and that this law would be no exception. I pointed out that it was almost certain that some fine tuning would have to be applied as we went along and learned more how the law was working. As I also noted at that time, we cannot fine tune an engine until it has been started and running. That remains my point of view today.

I have no objection in principle to the wording of this Private Member's Motion. In fact, I will go on record as saying that I feel there is much merit in Government's considering the services of a management consultant firm to carry out the tasks listed in the Motion which are:

- "1. investigate the feasibility of the Government establishing a public owned corporation to provide health insurance;**
- 2. determine what the premium should be for the health insurance package specified by the Law;**
- 3. recommend the organisational and managerial structure for the public health insurance corporation;"**

My concern is not with the wording, but rather with the timing of this Motion and the tasks it assigns to a management consultant firm.

During our very lengthy deliberations over the last three years, these very same points were raised at one time or another. I became convinced that now was not the time to address these matters. The most essential thing to do is to enact the law and make sure that appropriate mechanisms were put in place whereby we could carefully monitor (after a year or two) how it was performing.

My reason for adopting this approach is that it became apparent to me that while some important statistics relating to health care demands and provisions existed, others which would be crucial to any valid study of the sort requested in the Motion did not. It is my heartfelt belief that if we are to commit ourselves to spending considerable sums of public funds to such a study, we should not expect the consultants to perform like magicians, conjuring their findings and recommendations out of thin air. We have been down that road before and should not be travelling it again.

As we all know, actuaries are statisticians, and while there is always an element of guesswork to what they do, it should be highly informed guess work. A report based on inadequate quantities of hard data will always be accompanied by disclaimers by those preparing the report. I hardly need to remind Members of this Honourable House that we have been down that particular road too. In the interest of a responsible and productive use of public funds, we should not go travel it again.

The 1997 Law, along with the accompanying regulations which will be debated shortly will ensure that after, say, a two year period, the sort of hard reliable data I re-

ferred to previously will be in place and will be vital to the creation of a valid study. Such data is not available at present. That is the crux of my whole response.

We have determined, by contacting the various providers of health insurance (who are licensed to do such business in the Cayman Islands), as well as some of the largest employers, that there is not a reliable history of the claims for medical benefits made on providers of health insurance coverage to the resident population of the Cayman Islands. One reason for the absence of this reliable data is that some of the largest companies have medical plans for their employees with overseas health insurance providers not licensed by our local authorities.

We are therefore unable to obtain a record of such claims for medical benefits. We must also add to this scenario all those individuals who have taken out private medical plans with overseas providers. What we are left with are those five or six providers licensed in the Cayman Islands and the records from the Health Services Department concerning the segment of the population that has utilised the services provided at Government facilities, or referred by the Health Services Department to overseas providers of health care not available in these islands.

It has also emerged that prior to 1992 a complete computerised record of Government's provision of health care was not kept. The fact is that Government does not have the benefit of information from the private sector regarding the cost of the provision of health care to the resident population locally and overseas; and what records that have been kept by Government would not be adequate at this time to provide the required data to undertake such a study by a consultant management firm.

Indeed, a small group, including the Permanent Secretary in my Ministry and the Government's Chief Statistician was given a similar task in 1995 as provided in the Private Member's Motion. I now quote from the records of that meeting. **"The study group concluded that it could not reliably inform the Committee [that is the Health Insurance Advisory Committee] on the probable standard premium rate for a compulsory national health insurance plan. . ."** due to the reasons I have just given—mainly the insufficient data.

I believe that any management consultant firm would be impeded in its work by the absence of reliable data and could not usefully advise the Government on the risks it would be assuming should it choose to establish a public owned corporation to provide health insurance. Neither would the management consultant firm be in a position to determine what the premium should be for the health insurance package specified by the law as proposed in the Private Member's Motion.

We are sailing cautiously into relatively uncharted waters, collecting and compiling the necessary information as we go. In one or two years time our charts will be considerably more reliable than they are now and we will be in a much better position to address the issues raised in the Motion before us.

As I said earlier, I consider the intent of Private Member's Motion No. 4/97 to be genuine and I feel it contains

merit in all three of its constituent parts. I am convinced, however, that it is premature to commit public funds to a study of this sort given the lack of necessary statistics.

Concerns are constantly raised about Government becoming involved in an area that is apparently best managed by the private sector. To look at this as a corporation as proposed we must be aware of the tremendous potential liability to Government. As a result, I am unable to offer my support to this Motion at this particular time.

The Speaker: Proceedings are suspended until 2.30 pm.

PROCEEDINGS SUSPENDED AT 12.57 PM

PROCEEDINGS RESUMED AT 2.46 PM

The Speaker: Please be seated. Debate continues on Private Member's Motion No. 4/97. The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: As the seconder of this Motion I rise to offer my support. I think the Fourth Elected Member for George Town should be congratulated for his conscientiousness, and for his genuine interest in the welfare of the people of these islands. I believe that the district of George Town can be proud to have a representative with those qualities.

The request is a very simple one, and one that makes sense. I think it is one the Government should very definitely pursue. By that I mean that it is not unusual. I am aware that even large companies decide, rather than going out into the open market to obtain health insurance coverage, to form their own captive insurance company. They take a piece of the pie and put it with one of the larger insurance companies, such as, Lloyds of London, or others in the re-insurance business.

What this does is give these companies a competitive advantage in that they are in it only for the purpose of the coverage. They are not motivated by the profit motive. It means they are in a position where they can obtain the same coverage for much less.

The last figure I heard about the size of the Civil Service was in the region of 2,000. A sizeable organisation. We now boast of a budget of \$250 million. We are talking about a substantial organisation. When we talk about Government finding health insurance for the civil servants, it will be a substantial premium. I see no reason why in this instance Government cannot look into the possibility of forming its own captive insurance company primarily for the purpose of insuring its own risk, that is, civil servants. The public would also be given the option to purchase health insurance coverage through Government.

I hear all kinds of horror stories. My concern is that a person's health insurance will be terminated once a few claims have been made. I believe that what a captive insurance company formed by Government would also do is put Government in a position to address the concerns we had when the Honourable Minister introduced

the National Health Insurance Bill over those persons who are aged, indigent and dependent. Government would be in a position to ensure that these persons get the desired coverage.

I also believe that a Government captive insurance will also keep the other private insurance companies in line as far as competitiveness is concerned. I see what always happens, I am a businessman, and I know how things work in the real world, we will come in at a reasonable premium and after we are well established and business is off the ground, those premiums will increase. I believe that if Government can offer this, and we have to take into consideration the cost of administering this, but I think that if Government can state a realistic cost of operation, the premium can be maintained at a reasonable level. It will act as an insurance policy for us in these islands, ensuring that our people who most need this coverage will have access to it.

I am not an insurance specialist, but no one can convince me that it is really that difficult to do what we are asking. It does not take any three or four year study. We know what our base is, 2,000 civil servants plus their dependants. We know what their income is, we know their age and the health of those individuals. It does not take a whole lot of mechanics to put together a reasonable plan and come up with an estimate of what it would cost to cover that risk.

So, I fully support this move. I want to congratulate the Fourth Elected Member for George Town again for his genuine interest in the welfare of the people of the Cayman Islands. I look forward to the Government pursuing this possibility. If they come back and say it cannot be done, I guess I will have to accept that. But I am not convinced at this stage that that is the position.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Boddén: I rise to make my contribution to Private Member's Motion No. 4/97. I spoke to the Honourable Mover of this Motion when I was aware that the Motion was tabled. I told the Member at that juncture that I was of the opinion that the Motion had some merit. I am still of that opinion, although I communicated with the Member later that I was disappointed to see that he had removed, by way of an amendment, the call for the actuarial study, substituting that with a management consultancy firm. I listened to the arguments given, and I remain of the opinion that the call to have an assessment by an actuarial firm was a step in the right direction. Be that as it may, I understand the negotiations and the horse-trading that is sometimes necessary in forums such as this.

The Motion asks that Government consider—key word, 'consider.' The Motion is not asking the Government to accept or adopt, it asks for consideration. Consequently, I think the Motion bears significant examination. Why? Because we are entering a new venture. To say that it would be time consuming to collect the statistics, or to say that it would be onerous is, as far as I am concerned, not a convincing explanation.

What we are doing is giving somebody a wholly captive audience to set terms and conditions, to set fees over which we will have little or no control. To do so without being in a position to say, '*According to our information this is high,*' or '*These people should be covered,*' is giving to someone, some entity, some organisation, a licence which we will not be able to control easily again.

I think that the essence of this Motion lies in the fact that we would have a base from which to work. Certainly, it is unlikely, once fees are established that they will decrease, even if information is provided to the contrary. It is more likely that they will be maintained at the same level, or rise. So, the absence of some empirical assessment places us at a certain disadvantage. That is borne out by the fact that entities offering this insurance are primarily motivated by the profit motive, rather than by feelings of empathy or by an association with those persons covered.

Also, Government will be at a certain disadvantage in terms of its ability to regulate, by virtue of the fact that it will have to accept information given by the providers as a result of not being in a position to prove to the contrary. The absence of the considerations the Motion is seeking leaves the Government in a weakened position if any bargaining has to take place. It leaves the Government unable to take a serious negotiating line, particularly in regard to regulating cost, increasing coverage, or enlarging areas to be covered. The Government will not be able to say that as a result of this empirical evidence it believes these things should be covered, or lowered, or that more emphasis should be placed on a certain area, etcetera.

I strongly believe that where the Government might have some reservation about entering the market, it is not far-fetched to ask it to weigh the pros and cons of getting into even some limited coverage. Remember, as we said with the pensions, the Government already has a large portion of that whole corpus of the Civil Service. It would certainly increase their bargaining power if they could say, '*This is what we are demanding or expecting. If we do not get this we will have to seriously consider some kind of mechanism to cover the people for whom we are directly responsible.*' That would certainly enhance and strengthen the Government's bargaining position when it comes to dealing with private sector entities providing this coverage.

Let me put this another way by saying that while I too would like to see this business given to the private sector, as an option I think the Government should put itself in a position to offer alternatives or make arrangements to cover its own people. I think that would strengthen the Government's position and by trickle down effect might aid those people outside of the Government's umbrella to benefit from such a position advanced by the Government.

In his reply, the Minister suggested that there was concern with the timing of this Motion and the tasks assigned to the management consultancy firm. He suggested that Government was prepared to monitor the situation, and after a year or two make any necessary adjustments.

I accept the Minister's position. However, my argument is that technically speaking the scheme is not yet in place. I come back to the Motion asking for 'consideration.' It is not too late, too inconvenient or too cumbersome to cause certain mechanisms to be put in place so that we may glean this information. One cannot emphasise too strongly that if all the information is coming from the providers, if all of the statistics come from the providers, it stands to reason that

Government is not in any position to argue, to object, to counter, because they will have no recourse to evidence stating otherwise. They will always be in a position of acceptance. Therefore, the position of the Government will be significantly weakened when it wants to regulate, control or reduce.

Legally speaking, their case will be non-existent. If I am going to tell you that something is not so, and I have no evidence to the contrary, my position will soon be eroded.

Also, the lack of data will allow the providers (and I am not casting aspersions on anyone, because these people are professionals) to skew policies in favour of a certain position. Who is going to be the beneficiary? If there is no skewing, it is opened to doubt and question.

I certainly do not buy the argument that the records kept by the Government at this time are not adequate. As I understand it, actuarial science is a very precise and specific science. It takes years and years of study to acquire expertise in that science. But, the fact that there are actuaries available now means that we are not precluded from getting this type of information. We must have kept medical records in our system.

I do not see how we can arrive at reasonable comprehensive policies unless we have some access to what some of the more common ailments are around here—whether hereditary, genetic, or communicable through other means—and use this as a base for arriving at these kinds of rates and policies.

Of course, the Minister said that we are going into uncharted waters. The question is: When are we going to chart these waters? After we get ship-wrecked? Are we going to try to chart the waters to ascertain where the shoals and coral heads are before we sail? If there is no attempt to draw up some kind of chart, however rudimentary, it seems that we run a greater risk of wrecking the ship. If we try to make a chart and it is not entirely accurate, that seems to me to be a better position. At least we will have some idea of the kinds of things we should be looking out for.

I am disappointed that the Government has arrived at such a rigid position where it is not even prepared to consider the things this Motion is seeking. I am left to wonder if it this is a situation where, once a position has been taken, there is absolutely no ability to rethink or consider other alternatives.

Since an amendment was made (and I do not know to what extent discussions went on, but knowing the course of discussions here, that amendment was made in an attempt to make the Motion more palatable to the Government), and the Government still refuses to consider, there is little I can do except express my disappointment with the intransigence of the Government and to state my qualified support for the fact that I think this Motion warrants consideration.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: The Motion before us today is one which finds itself in a very peculiar position. The obvious reasons for that are encompassed in the fact that the Motion has four areas of consideration in its Resolve section.

If we are to stick by the rules rigidly, for any support of this Motion one would have to accept it in its entirety. I think we also have a responsibility here to examine the intent of the Motion, and even if it is not going to be accepted by this

Honourable House, speaking for myself, I think that some consideration should be given to the merits of its intent.

The part we hear talked about most is the second Resolve section which speaks to determining what the premium should be for the health insurance package specified by the Law. Of course, that would be determined by whether we change it to a management consultant firm or leave it as an internationally recognised actuarial firm. Assessment by either one would do.

The Third Elected Member for Bodden Town hit the nail on the head when he spoke about Government needing to have information to be able to determine what type of premium should be charged by the provider of health insurance. Here is where I believe the most value should be placed on the Motion itself.

If we are to deal hard and fast, if all of the other areas are not supported, then I guess the Motion will fail. But I contend (and I think this is the right opportunity) that Government should work towards finding itself in a position whereby information at hand can help to determine what a reasonable premium should be when it comes to providing health insurance.

To say that statistics are not available for any type of assessment, even if that is totally true, it must not end there. I think that is where the importance should be placed. Accepting the Government's position that there is no information available and no statistics to collate the correct information to make the assessment, I still believe the position we should be taking is to aim towards that.

If it is ill-timed (because this information is not available) it does not mean that it should just be left. I have not heard the Government at this point in time say that while it finds itself in this position that it should be working towards another position. I think that is the point we need to arrive at.

So, while it is very difficult to deal with the entire Motion and say that everything should be accepted, I think that we should point towards understanding exactly what kind of premium should be charged. This is simply because Government should find itself in a position where checks and balances are provided.

If we examine any other area of Government, we will find that checks and balances are totally necessary. I believe the intent of this part of the Motion is for Government to be able to provide checks and balances in this case. It is not acceptable in my view, that because Government is not in a position to do so now, to simply leave it alone.

As it is obvious that the Motion is not going to see safe passage, I would hope that Government would take the view that it should embark upon getting into that position—regardless of how much time it takes.

While I cannot say that I support the Motion in its entirety, I hope that the Government will find itself able to deal with some of the areas I mentioned.

The Speaker: I think this is an opportune time to take a suspension. Proceedings are suspended for 30 minutes.

PROCEEDINGS SUSPENDED AT 3.21 PM

PROCEEDINGS RESUMED AT 4.27 PM

The Speaker: Please be seated. Proceedings are resumed. Does any Member wish to speak?

We have only a few minutes remaining before the hour of 4.30, would Members prefer to take the adjournment? The Honourable Minister for Education, Aviation and Planning.

ADJOURNMENT

Hon. Truman M. Boddin: Mr. Speaker, I move the adjournment of this Honourable House until 10 o'clock tomorrow morning.

The Speaker: The question is that the House do now adjourn until 10.00 AM tomorrow. I shall put the question. Those in favour please say Aye... Those against No.

AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned.

AT 4.28 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM THURSDAY, 4TH SEPTEMBER, 1997.

**EDITED
THURSDAY
4TH SEPTEMBER, 1997
10.14 AM**

The Speaker: Prayers by the Second Elected Member for Bodden Town.

PRAYERS

Miss Heather D. 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed.

Questions to Honourable Members/Ministers. Deferred Question No. 121 stands in the name of the Third Elected Member for Bodden Town.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

DEFERRED QUESTION NO. 121

No. 121: Mr. Roy Bodden asked the Honourable Acting First Official Member responsible for Internal and External Affairs to provide a breakdown of overtime paid to the staff of Northward Prison for the period June 1996 to 31st July, 1997.

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: The breakdown of overtime paid to the staff at Northward Prison for the period June 1996 to 31st July, 1997, is as follows:

• To maintain manning levels (rest day call in, staff sick)	\$ 52,685.74
• Hospital watch	31,707.48
• Other (funeral escort, visit sick or dying relatives Queen's birthday parade, rehearsals, staff meetings, principal officer's security checks)	18,070.72
• Clerical staff	14,068.21
• Late court escort	2,170.09
TOTAL	\$118,697.24

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Given that overtime paid to staff at Northward Prison has been a perennial concern of the Public Accounts Committee and the Auditor General, can the Honourable Member state what steps have been taken to ensure that overtime is kept to a minimum?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: The survey of the Department's manpower was done with the Dependant Territory's Prison Co-ordinator earlier this year to specifically look at how manning levels could be better set in order to continue to reduce the overtime. I would add that overtime in 1995 was approximately \$278,000, and just over \$146,000 in 1996.

While it is hoped to continue the reduction this year, if the current rates were to continue, the overtime would be in the vicinity of \$135,000. I hope that this demonstrates a decreasing trend.

The Speaker: The Member for North Side.

Mrs. Edna M. Moyle: Can the Honourable Member expand a little bit on why overtime is paid for the Queen's Birthday Parade rehearsals and staff meetings, and also on that paid to clerical staff?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: As Members are aware, the Prison normally takes part in the Queen's Birthday Parade and rehearsals are done by all the uniformed

branches prior to that parade. In light of the staffing and occupancy levels at the prison, it simply has not been practical to do those rehearsals during the normal course of duty. On some occasions in order to fulfil the number of staff, they have had to do this outside of their working hours.

The overtime in respect of clerical staff simply relates to the various administrative duties, some of which have been exacerbated by the increase in occupancy levels.

The Speaker: The Elected Member for North Side.

Mrs. Edna M. Moyle: I think he missed overtime being paid for staff meetings. Can he expand on that?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: Again, because of the rostered situation of 24 hour service at the Prison, and the tightness with which the rosters are done, in order to have staff who need to attend present at meetings it is invariable that off-duty staff will have to be brought in for meetings.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Member give a breakdown on the first item, in particular staff sickness? How much of the \$52,000 plus would be allocated for that particular category?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: I do not have a breakdown for staff sickness, but I will be happy to provide that for the Member in writing.

The Speaker: If there are no further supplementaries, the next question is Deferred Question No. 122, standing in the name of the Third Elected Member for Bodden Town.

DEFERRED QUESTION NO. 122

No. 122: Mr. Roy Bodden asked the Honourable Acting First Official Member if the investigations into the alleged theft of the Prison Officer's Welfare Fund at Northward Prison have concluded.

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: The answer is no. The Royal Cayman Islands' Police are conducting an investigation into the matter and I would not wish to comment further at this time.

The Speaker: The next question is No. 138, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 138

No. 138: Mr. Roy Bodden asked the Honourable Second Official Member responsible for Legal Administration to state whether the Cayman Islands has received any request, directive, or instruction from the United Kingdom Government to amend any current Laws or to enact any new law obliging the Cayman Islands to share tax information with the G7 Countries and to extend "Dual Criminality" to any such offence.

The Speaker: the Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: The answer is a very simple and short one. The answer is an unequivocal no. However, I think it might be helpful if I expanded a little on that, although I suspect that that answer is the one that gives Members the reassurance they are requesting, and is no doubt what the financial industry in Cayman and its customers would wish to hear as well.

There are three questions on the Business Paper covering this exact same topic. This is the one that has come up on the Order Paper. The answer is the same to all of them. What might be helpful is if I read part of the press release given out by Government a few weeks ago. No doubt this press release was subsequent to these questions being tabled. It does not do any harm to emphasise some of these things, so with your permission, Mr. Speaker, I will read some extracts of a letter from the Foreign and Commonwealth Office in London, dated 29th July, dealing with this very same issue. It reads as follows:

"The United Kingdom is committed to ensuring that financial legislation and regulation in its Caribbean Dependant Territories meets the highest international standards. Good progress has been made on regulation. All the Caribbean Dependant Territories have introduced effective licensing guidelines and gateways to allow full cooperation with international regulators.

"We are equally committed to the introduction of measures against money laundering. The Caymans have already extended their money laundering legislation to cover the proceeds of all serious crimes. The others will follow suit in the near future.

"On the specific question of tax offences, it is relevant that Cayman's legislation, like the United Kingdom's is based on the principle of dual criminality. Since there is no income tax in the Cayman Islands, there is no law criminalising income tax evasion."

There was also a statement issued by the Foreign and Commonwealth Office on 1st August. I will quote from that as well.

“The Foreign and Commonwealth Office has not instructed the Cayman Islands to introduce legislation to assist foreign countries with tax investigations, nor is there a letter from London requesting that Cayman open up its bank records to foreign countries investigating tax evasion cases. As I told you in my letter of 29th July, we have asked all five Caribbean Dependant Territories to introduce legislation to prevent the use of their financial systems by money launderers.

The British Government were pleased that the Cayman Islands were the first to introduce such legislation with the introduction of the Proceeds of Criminal Conduct Law in December 1996. As one of the world’s leading banking and offshore finance centres, it is right that the Caymans should want to meet the highest international standards of financial regulation in order to prevent criminal money from entering its financial system.

The British Government has fully supported the Cayman’s actions to meet this objective and will continue to do so.”

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: The first part of the question asked the Honourable Second Official Member responsible for Legal Administration to state whether the Cayman Islands had received any request, directive, or instruction from the United Kingdom Government to amend any current Laws. May I ask the Honourable Member if there have been any requests from the United Kingdom to the Cayman Islands Government regarding any amendments to the Proceeds of Criminal Conduct Law?

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: I would not have thought I could have given a much more definite and unequivocal answer than ‘No’, which I have already given.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: It is my understanding that the British Government is now negotiating with the other Dependant Territories to enact the same piece of legislation. I wonder if the Honourable Member can confirm if the British Government is insisting that the piece of legislation which comes into effect does have the tax provision?

The Speaker: The Honourable Second Official Member responsible for Legal Administration .

Hon. Richard H. Coles: I rather gather that the Member is asking me to comment on the British Government’s policy with regard to other Caribbean Dependant Territories. I do not think that I am in a position to do that. I do not know what the British Government’s policy is.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: The substantive question by the Third Elected Member for Bodden Town asked the Honourable Second Official Member responsible for Legal Administration to state whether the Cayman Islands has received any request... and the answer was no. I wonder if the Honourable Member could state whether the Government, not having received the request, is considering any change in regard to dual criminality, especially in regards to taxation?

The Speaker: Are you asking the Member to give an opinion?

Mr. Linford A. Pierson: I am really endeavouring to speak perfect English here, I cannot see why my supplementary is not understood. I am saying that the substantive question asked whether the Cayman Islands has received any request, directive, or instruction from the United Kingdom Government to amend any current Laws, etcetera.

My question, in the absence of having received a request from the United Kingdom, is: Is the Government considering at this point in time any amendment to any of these Laws regarding dual criminality as it would apply to taxation?

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: The answer is exactly the same as what I gave to the substantive question. I am assuming that the Member is asking me what Government’s policy is on this particular issue. The answer is ‘No.’ The Cayman Islands Government is not considering any such amendment or change in policy.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member state if any agreement or protocol in this regard between the G7 Countries would extend to the Cayman Islands?

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: It is difficult for me to answer that sort of question without the Member actually telling me what protocol he is talking about. I just do not know how much more positive I can be in terms of an answer I have given already. There is no obligation, certainly as far as I am aware, upon the Cayman Islands to dissemi-

nate this information. The policies and protocols of the G7 Countries are exactly that—the protocols of the G7 Countries. Cayman is not one of those.

I can only repeat what I have already said. The answer to the substantive question is 'No.' The answer to the further question of whether or not the Cayman Islands Government has any policy in place to implement this is also no. Certainly, as far as I am aware, and as far as the Cayman Islands Government is aware, there is no obligation upon the Cayman Islands to consider such a policy.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Am I then to understand the Honourable Member is saying that although the Cayman Islands is a dependant territory of Great Britain, and Great Britain is a member of the G7 group of countries, that any agreement and protocol which concerns Great Britain in this and other regards does not extend to the Cayman Islands?

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: With due respect to the Member, when I give an answer, it is my answer; I am not having words put into my mouth. What I said was that I am not aware of any protocol that applies to the Cayman Islands on this particular issue.

Of course, there are treaties and conventions that apply to the United Kingdom which are extended to the Cayman Islands on a whole variety of issues. But I am not aware of anything relating to this issue that applies to the Cayman Islands. That is what I said.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Member state if the Government has had any discussions in recent months regarding making any amendments to the Proceeds of Criminal Conduct Law?

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: The Cayman Islands Government is in continuous discussion with the United Kingdom Government over the whole issue of its financial industry. As the press release said, the United Kingdom Government supports the actions that the Cayman Islands Government has made, and is making. It is a continuous process. I just do not think I can add to anything else I have already said.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I asked a specific question. I did not ask a generic question. I was not talking about continued negotiations generally. I was speaking about making changes to the Proceeds of Criminal Conduct Law. If possible I would like an answer.

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: As far as I am aware, the Cayman Islands Government has received no request from the United Kingdom Government to make an amendment to the Proceeds of Criminal Conduct Law.

Mr. D. Kurt Tibbetts: Mr. Speaker, for purposes of clarity, let me go over it again. I was not speaking about the United Kingdom, I was speaking about the Cayman Islands Government having any discussions. For purposes of clarity, I meant among themselves.

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: As far as I am able to—and I am very conscious of the fact that I am not at liberty to freely discuss or tell anyone the confidential discussions of Executive Council. But all I can repeat is what I said before, that the Cayman Islands Government has no policy, no intention, no wish, to amend the Proceeds of Criminal Conduct Law, or any other Law, to accomplish what this question seeks to ask.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: The substantive question before this House is a very important matter. I am surprised that this question was answered with a single word, 'No.' The supplementary asked by the Third Elected Member for Bodden Town is directly related to the agreement and protocol by the United Kingdom.

Would the Honourable Member undertake to advise this Honourable House if and when he receives any such request as has been discussed here today?

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: I am sure that any request from either the British Government or the G7 Countries would not come to my office. It would either come to the Office of His Excellency the Governor, or possibly to one of my colleagues on Executive Council. So, I am not sure that I can give that undertaking.

If any such request did come, the proper course for it is to no doubt be considered by Executive Council. But, subject to that criteria (which is the normal criteria for anything that comes to the Cayman Islands), I see no reason why Members of this House should not be informed. But I do not think I am the person to give that undertaking.

The Speaker: I think we have pretty well exhausted the supplementaries on this question. I will allow one more. (pause) If there are no further supplementaries, the next question is No. 139, standing in the name of the First Elected Member for George Town.

QUESTION NO. 139

No. 139: Mr. D. Kurt Tibbetts asked the Honourable Minister for Education, Aviation and Planning to list the number of new students registered to attend classes for the September term at the Red Bay Primary School, George Hicks High School and John Gray High School.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddén: The number of students registered for the September term at Red Bay Primary School, George Hicks High School and John Gray High School are as follows:

<u>Red Bay Primary</u>	<u>George Hicks High</u>	<u>John Gray High</u>
Year 1: 58 (new)	Year 7: 28 (new)	Year 9: 27 (new)
Year 2-6: 5	From Primary: 234	From G. Hicks: 272
	Year 8 & 9: 53 (new)	Year 11 & 12: 1
Total: 63	Total: 315	Total: 300

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Of the 58 new students going into year 1 at the Red Bay Primary School, can the Honourable Minister state how many classes they are divided into?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddén: They are divided into two classes. There is one teacher and one aide in each class.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister state if in the Red Bay Primary School in years 2-6 there are any years with more than two classes?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddén: While my memory is good, there is no way in the world I can remember how many classes are in each school. I can get that for the Honourable Member. We are dealing with approximately 50 classes between the 18 schools.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: The Minister always carries his entourage along with him, I would have thought he would be able to answer that. I am sorry if it was a bit too much.

With regard to the Red Bay Primary School, can the Honourable Minister state if any new students applying were rejected this year?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddén: If they were coming in through years 2 through 6 they were not accepted. I do have this information, and I am always happy to oblige the Honourable Member. I now have that from my 'entourage.' In year 2 there are three classes, and in year 3 there are three classes. The balance have two classes only.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Let me thank the Minister for giving the answer to that. The Minister stated that if there were applications for students to be admitted for years 2 through 6 they were rejected. Can the Honourable Minister state if any applications for students going into year 1 were refused?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddén: While I do not have a certain answer, I understand that if they were late they may have been refused. But I would like to point out that on the one hand the Opposition slaps me for having too many children in a class, and now we have the Opposition imputing that I should have more. They cannot have their cake and eat it too.

The classes are just about full throughout. I have tried to keep the student per teacher ratio as low as I can, but on the other hand if the class is large we try to put in one teacher with an aide. I have the other overriding duty to accept Caymanian students into the classes. We balance this as best we can.

I should point out that the classrooms in the new schools are large enough to accommodate larger classes. Having the teacher plus an aide really does balance out to what we would have in a smaller class of, say, 25 or so.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: If the Honourable Minister would listen to the slamming he is talking about he would know that any slamming comes because of the lack of space and the lack of number of teachers—not from number of students!

With regard to the Red Bay Primary School, the Minister has stated that there were two years with three classes, and I am assuming that the other years have two classes. Can the Honourable Minister state that if the exact number of existing classes prevail, by the time years 2 and 3 get up to years 5 and 6 (with the same numbers coming into the school prevail) there will be enough space or enough classrooms to hold all of the students?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I think the Honourable Member is asking me to give an opinion that perhaps he should ask the Third Elected Member for Bodden Town, who seems to have all of the answers in his crystal ball. I really do not know, sir. It depends upon how many children.

I understand what the Member is asking, but I would not like to speculate on how many students would be in there next year, nor how we can perhaps deal with different classes. We are looking at another school, both for West Bay and George Town, if it becomes necessary.

All I will say to him is that I will endeavour to ensure that whatever is done is in the best interest of the students within the best of my ability.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Needless to say, while we make light of certain things sometimes, this is a serious issue.

I wonder if the Honourable Minister could give an undertaking with regard to the primary level students, especially in the district of George Town—and even if he answers that this is being done, I would still ask for this undertaking. . . I think we are looking at projections. I think it is fair comment to say that the number of students will not decrease, but, based on the track record, will increase. I am asking the Honourable Minister to ensure that whatever capital investment has to be made for primary education is done. He mentioned a school for George Town and West Bay—I am asking him to give an undertaking to ensure that a crisis does not occur before anything is done.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I am happy to give that undertaking. I always endeavour to do so, with the exception of the Lighthouse School where the Opposition created the chaos existing among the primary levels there.

Mr. D. Kurt Tibbetts: Mr. Speaker, trust me, that is a matter for debate. If the Minister wants to debate that right now, and you allow it, I will be happy to.

Going on to the George Hicks High School, can the Honourable Minister state if the 53 new students are all being transferred from private schools?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I do not have that answer, but I can get it for the Honourable Member. Obviously some would be from private schools and some from Government. The larger amount would be from Government. Some would be from private and some would be new students coming to the island registering for the first time. I do not have those numbers.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Would the Minister be prepared to provide that answer in writing?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Yes, I will give it in writing.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: The Minister mentioned that there were plans for a new primary school for West Bay and George Town. Can the Honourable Minister give us a status report on the plans for the new primary school for West Bay?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: We are now looking into getting the property, and there is some money in the Budget for the one in West Bay which is presently needed more. That school is very large. I hope that we can come to some agreement on the property. We need sufficient property to build a nice school with a nice play field for sports, because sports is a very important part of a child's life. I will then move on as quickly as possible with it. The property has been looked at, and I hope to get together with the Members for West Bay shortly after this Legislative Assembly meeting.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister state if the new figure of 315 students for George Hicks High School this year is more, or less, than the figure last year?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I only managed to bring three of my computers here. That is in the fifth and sixth one which I did not bring. I will have to get that information and send it back.

The Speaker: If there are no further supplementaries, the next question is No. 140, standing in the name of the First Elected Member for George Town.

QUESTION NO. 140

No. 140: Mr. D. Kurt Tibbetts asked the Honourable Third Official Member responsible for Finance and Economic Development if there are any plans to table the Medium Term Financial Strategy Plan before the next Budget Meeting of the Legislative Assembly.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: The Medium Term Financial Strategy has been prepared and is currently under review by Executive Council. It is unlikely that the review will be completed in time to table the document during this Meeting which, in turn, means that the earliest time this could now be done is during the Budget Meeting.

SUSPENSION OF STANDING ORDER 23(7)&(8)

The Speaker: Before we take the supplementaries, I will entertain a motion to suspend Standing Orders to enable Question Time to continue beyond 11 o'clock.

Mr. D. Kurt Tibbetts: I beg to move that we suspend Standing Order 23 (7) and (8) to enable Question Time to continue.

The Speaker: Do we have a seconder?

Mr. Linford A. Pierson: I second the Motion.

The Speaker: The question is that Standing Order 23 (7) and (8) be suspended to enable Question Time to continue. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. STANDING ORDER 23(7) AND (8) SUSPENDED TO ENABLE QUESTION TIME TO CONTINUE.

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Member state when, during his term as Third Official Member, a Medium Term Financial Strategy was prepared, how many times it has been reviewed since then, and if any one of these has ever been tabled?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Before I respond to that question, I would like to ask if the Member would allow me to respond to him in writing?

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Perhaps for the benefit of Members who have never seen anything of this Medium Term Financial Strategy, which seems to be an intangible item, the Honourable Third Official Member could explain exactly what the Medium Term Financial Strategy is.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: The Member asking that question is aware that the Medium Term Financial Strategy is not an intangible item. In fact, at the last meeting of Finance Committee the question was raised as to what progress had been made on the Medium Term Financial Strategy. We went into great detail on it. I would not like to rehash those details at this time.

Essentially, if we were to think in terms of the main objectives of the Medium Term Financial Strategy, they could be considered as achieving a balanced budget through a combination of expenditure control and revenue enhancement measures; maintaining relatively low debt service payments (this is on the national debt); building up the General Reserves of the Government.

The Medium Term Financial Strategy should not be taken in isolation but should be looked at in relation to the Public Sector Investment Programme. If we think in terms of those documents being related, I think it could be easily said that the Medium Term Financial Strategy and the Public Sector Investment Programme document are essentially reference documents outlining the Government's development objectives and the possible capital projects and financial policies that could be employed to meet these objectives over a defined period of time.

When we went into the detailed discussion on this, it was pointed out that this document was being developed over a three year period of time. It will be a rolling plan. This is what has been put forward for the Government's consideration. We have been looking at this, and this House has been informed that while such a document has not been tabled, we have in effect been using segments of it. In fact we have been culling one-year sections from it. This has really been presented by way of the economic section of the Budget. When this document is presented it will look at the year 1997, and the expectations for 1998 and 1999.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: The Member mentioned the Public Sector Investment Programme. I did hear the tie-in between that and the Medium Term Financial Strategy. If he can isolate the Public Sector Investment Programme for a minute, I would ask whether that only involves Government's capital programmes, or does it involve anything else?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: It is restricted to the capital programmes of Government, not only looking at central Government, but how the capital programmes of the Statutory Authorities would impact upon the Government as a whole.

The Speaker: If there are no further supplementaries, the next question is No. 141, standing in the name of the Third Elected Member for George Town.

QUESTION NO. 141

No. 141: Mr. Linford A. Pierson asked the Honourable Third Official Member responsible for Finance and Economic Development if Government is giving any consideration to reducing import duties on goods used in the construction of buildings in the eastern districts as an incentive to developers to target development in those areas.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: The Government has not considered it necessary to date to provide for such import duty reduction. The rationale is that given the state of full employment in Grand Cayman, and labour mobility between the districts, there seems to be little economic justification for such concessions at this time. In this context, any development incentives which are not carefully thought out could generate spin-off effects which may not cause any significant economic benefits to accrue to the country as a whole.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I am somewhat amazed by the answer to this question, considering the potential benefit that could accrue to the eastern districts and to the Cayman Islands as a whole merely by the reduction of traffic congestion from East End to George Town, and in George Town and the West Bay Road.

Would the Honourable Member state that after hearing these comments he would now agree that some consideration should be given to reducing the import duties

so that more development could be done in the eastern districts?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I am cognisant of the ideas advanced by the Member. I will agree in part, if we look specifically at the activities within the districts. But if we take the Cayman Islands as a whole, we could look in terms of certain unfavourable development taking place. We have a defined labour market at this time providing labour for the various sectors of the economy. For example, if a person from East End who is filling a job in George Town were kept in East End (given the fact that the transportation of this person from East End to George Town adds to the traffic congestion) and prevented from coming into George Town because of a new job created in East End, how would the vacancy in George Town be filled?

What would happen is that someone will have to be brought in from outside. The Cayman Islands infrastructure has a given carrying capacity. We have to bear in mind that everybody who comes into the community adds a given level of stress or demand against it—not only in terms of additional cars on the road, but we are talking about the likelihood of children being put in the schools, the medical services and one more individual in the Cayman Islands. I am saying that we have to balance this very carefully.

It is not a question that Government should not sit down and look at the overall picture in terms of the advantages and disadvantages of creating opportunities in other districts. We have to think in terms of whether it is exceptionally onerous for someone to drive from North Side or East End, to George Town or West Bay.

I cannot really sit here this morning and say that it has been researched and looked at carefully. It is a matter we will have to consider against the overall advantages and disadvantages.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Perhaps the Honourable Member did not also take into the equation the fact that if job opportunities were opened up in East End and the eastern districts, that those jobs could be filled with persons from within those areas, and would not necessarily take someone from George Town. Can the Honourable Member state if he has given consideration to this type of diversification?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: As I said earlier, the Member has advanced a very good suggestion. I think we will have to look at everything being relative. It is true that if a development takes place in East End, it is likely that that

development would not necessarily be in George Town whereby having to attract the labour that would otherwise be coming from East End. But this matter needs to be looked at very carefully because it seems that one cannot be sure in terms of whether import duty reduction would cause a hotel that would otherwise be built in George Town to move into East End.

It is not to say that this consideration is not being given at this time, because we have one major hotel development in East End that has benefited from import duty reduction under the concession provision specifically allowed. When these projects are put forward to the Government for consideration, they are looked at very carefully.

I am not saying that the Member's suggestion does not have any merit, but up to this point in time in an economy with full employment and with the small size of Grand Cayman, I think this has lent itself to certain advantages whereby mobility from one district to another has not been seen as exceptionally onerous. If it is a question of alleviation of traffic congestion, I know that is a significant factor. But when weighed against the other benefits, if the disadvantages are seen as outweighing the advantages, this is when it is necessary for us to sit down and look very carefully in terms of what policy decision should be taken.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Is the Honourable Member in a position to make an assessment, based on this consideration, on the first time home buyer in these areas with respect to the impact and feasibility of this as it would relate to the Budget?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I am not in a position to give a definitive response at this time, but I should say that regarding the concessions that have been granted (not necessarily with the import duty reduction because at the last Budget what was considered was the waiving of stamp duty), the revenue that would otherwise be lost from the waiving of stamp duty will be offset from the increase in import duty because of the fact that more individuals will be building homes. The loss of revenue is being compensated for in another area—by the revenue the added import duty will be contributing to.

The Speaker: The Elected Member for North Side.

Mrs. Edna M. Moyle: I am a little bit confused here this morning by the reply to this question. I would like to ask the Honourable Third Official Member, should the Government consider a reduction in import duty for a development in the eastern districts? Am I to assume that this will be refused on the grounds of labour mobility and economic justification for such concession?

Have we looked at the benefits that will be derived, particularly for mothers in the hospitality field being able to work in their own districts and spend more time with their families? Can you just give me an answer as to whether these applications for the eastern districts for reduction would at least be considered by Government?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: The Member saying she is confused, I would say is an inappropriate choice of words. The answer makes it specifically clear in terms of the consideration, looking at the advantages and disadvantages. We are talking about major developments. Working mothers that are undertaking major developments in terms of the concessions being sought here, it would seem to me that they would not have the problems the Member envisages would arise.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I will say this a little bit slower because tempers seem to be flaring here and we want to calm the atmosphere for other things to come.

In the absence of the necessary research, and thus putting the Honourable Member in a position where he is unable to give an informed opinion in this matter, I wonder if the Honourable Third Official Member would give the undertaking that he will seriously look into this matter.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: If it seems tempers have been flaring on this side, I will apologise to this Honourable House. It is a response, if we were to think in terms of what was suggested by the Honourable lady Member, and what is being suggested by the Third Elected Member for George Town, that is quite reasonable. But I would not also regard that as not providing an informed response.

What I will agree to, is to carry out the necessary research and also seek the Government's views as to whether such consideration can be given. The point I am making is that there is always a balancing factor. It is not a question of putting a project in a specific location in order to alleviate traffic congestion only. We have to look in terms of having a defined labour market. Knowing that we have full employment at this time. . . and we have often heard questions raised in this House in terms of the number of persons being brought in to fill various positions.

A person brought into George Town, or a person who comes from one of the outer districts to George Town, is coming to fill a specific position. If that person is not available it means that other sources of labour will have to be examined. These are the factors that have to be taken together to look at the advantages and disadvantages in order to come to the right conclusion as to

whether import duty reduction should be allowed. While looking at the benefits, let us look at the disadvantages as well.

The Speaker: If there are no further supplementaries, the next question is No. 142, standing in the name of the Third Elected Member for George Town.

QUESTION NO. 142

No. 142: Mr. Linford A. Pierson asked the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation to provide a progress report on the new Hospital.

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: The construction phase of the new Health Services Complex is on schedule and is now approximately 50 per cent complete. All seven of the new structures are under construction and two have been fully completed and handed over to the Ministry. If there are no unforeseen delays such as excessively bad weather or difficult foundation conditions, it is anticipated that the five remaining buildings will be finished by late summer of 1998.

The two buildings which have been handed over will accommodate the following departments: Intensive Care Unit, Physiotherapy, Mental Health Clinic, Morgue, Hyperbaric Chamber and the Forensic Laboratory. These buildings are being prepared for occupancy by installing medical equipment and furnishings. Move in for some of the departments is planned for early to mid September.

A temporary location was prepared for the Casualty Unit and Medical Records so that the final building on the construction site could be started. The move to the temporary facilities occurred in mid July and both units are functioning well.

In the not-too-distant future, we will be organising a tour of the new facility and I will be extending a warm invitation to you and the other Members of this Honourable House to join us in seeing just how much progress has been made since the beginning of the project and even since the last visit we had a few months ago.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I thank the Honourable Member for his comprehensive answer. This should serve as an example to some of his colleagues. What is the estimated cost of the new hospital on completion, and is he able to say how this compares with the original estimated cost?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: As the Honourable House probably remembers, in a question during the last meeting of the Legislative Assembly we increased the contingency from 2% to the realistic standard in the construction industry of 10%. That is the only difference. We did this to cover the inflation, and so on.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: For clarity, is the Honourable Minister saying that other than that there will be no other costs involved?

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: Not to the best of my knowledge at this time.

The Speaker: If there are no further supplementaries, the next question is No. 143, standing in the name of Third Elected Member for West Bay.

QUESTION NO. 143

No. 143: Mr. John D. Jefferson, Jr asked the Honourable Second Official Member responsible for Legal Administration what is the enrolment at the Cayman Islands Law School; and (b) to provide a breakdown of students by nationality.

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: The answer to (a): The Law School is currently on summer vacation and the following figures are, of necessity, approximate only. It is anticipated that when classes recommence in early October the total enrolment in all programmes will be approximately 79 students.

(b) Student enrolment, by nationality, is expected to be as follows:

Caymanian	32
Married to Caymanian	4
Jamaican	20
Canadian	7
American	8
British	8
Total:	79

Breakdown by programme of study is expected to be as follows:

<u>Degree:</u>	
Caymanian	17
Married to Caymanian	2
Jamaican	18
Canadian	7

American	7
British	6
Total:	57

Diploma in Legal Studies:

Caymanian	12
Married to Caymanian	2
Jamaican	2
American	1
British	2
Total:	19

Registration as a general student:

Caymanian	3
Total:	79

SUPPLEMENTARIES

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: From the information provided it appears that 54% of the enrolment is non-Caymanian—20 Jamaican, seven Canadian, eight American and eight British. Can the Honourable Member state if these are residents who are attending the Law School, or are they students coming from the outside to attend the Law School here in the Cayman Islands?

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: I assume the Member is asking if these students were resident in Cayman before they applied to join the Law School. I understand the question, but I do not know the answer. Whether they were resident here before applying or whether they applied from overseas and are coming to Cayman for the purpose of study, I suspect it is a bit of both. Some were resident here, and some are coming specifically to take up studies.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: Can the Honourable Member state what the tuition is for foreign students as compared to Caymanians to attend the Cayman Islands Law School?

The Speaker: I think we are straying outside the scope of the substantive question. If the Member has the answer, he may answer it.

Hon. Richard H. Coles: I think I know the answer, but I am not certain that I am going to give the correct figures. I would rather not risk giving incorrect figures. I can say that the fees were increased substantially for overseas students in the last Budget. Overseas students pay considerably more than local Caymanian students. A policy

with which I whole heartedly agree. But that is the situation.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: In light of the large number of foreign students enrolled, can the Honourable Member state what provisions are in place, in addition to the differential in fees, to ensure that suitably qualified Caymanians who apply are guaranteed a place in the school?

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: Caymanian applicants who apply and meet the academic requirements are always given preference. The available places are first allocated to all Caymanian applicants and it is only if there are any excess places that they are offered to overseas students.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Is the Honourable Member in a position to say whether foreign graduates return to their country of origin upon graduation, or do they remain in the Cayman Islands competing for employment with and among Caymanian graduates?

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: I am not sure if I can give a comprehensive answer to that because that is a very large question. I can say that overseas students who complete their studies here in Cayman are not permitted to take the Professional Practice Course and thereby be admitted as attorneys in Cayman. So there is no possibility of them qualifying as attorneys at the Law School, thereby staying in Cayman and taking jobs from Caymanian attorneys. That is not allowed.

To be fair to those students, they are told that unequivocally when they first apply to come to the Law School. So that does not happen. As for whether any of the students who obtain an Honors degree in Law who wish to stay in Cayman to follow employment, I really cannot answer that question.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Member state whether the cost of tuition is straight across the board, or is it different for Caymanians?

The Speaker: That question was just answered.

Mr. D. Kurt Tibbetts: Sorry, I was out of the Chamber.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: It was my understanding that in order to attend the Cayman Islands Law School you had to be articled to a specific law firm or Government Legal Department. I wonder if he can confirm if that policy has changed?

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: I think the Member is referring to the Professional Practice Course. The LL.B. Honors Degree awarded by the Law School can be used, and is very often used as the first step in the path to becoming a qualified attorney. But many students find a law degree a very helpful academic qualification to have, even though they have no intention of becoming a qualified lawyer, or practising law. That is purely an academic qualification.

For Caymanian students who wish to qualify as lawyers and who wish to do the Professional Practice Course at the Law School, then, yes, there is a requirement for a period of articles. Sometimes that is in the Legal Department.

The Speaker: If there are no further supplementaries, the next question is No. 144, standing in the name of the Third Elected Member for West Bay.

QUESTION NO. 144

No. 144: Mr. John D. Jefferson, Jr asked the Honourable Second Official Member responsible for Legal Administration if any Caymanian students have been denied admission to the Cayman Islands Law School and, if so, why.

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: The minimum entrance requirements for attending both the degree and diploma programmes at the Law School are prescribed by Liverpool University. The criteria for admission is currently two Advanced Level passes in addition to a prescribed combination of GCSE passes. Qualifications deemed to be equivalent, such as an Associates Degree, are also a recognised basis of admission. Students who successfully complete the University of Liverpool's Mature Students' Entrance Examination also qualify for admission.

Any student who fails to meet this entrance standard is not qualified to enter either of the tertiary educational programmes offered by the Law School. Qualified Caymanians are always given preference over other applicants. Moreover, due to the strong competition for places, the Law School generally applies stricter entrance criteria in the admission of overseas students.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: The answer given really does not answer the question. The question was: Have any Caymanian students been denied admission to the Cayman Islands Law School and, if so, why?

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: I would have thought that the answer followed what I read out. If a student, Caymanian or otherwise, does not meet the academic qualification standards (which I just read out), they would not be admitted to the Law School.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: I wonder if the Honourable Member can say if he is specifically aware of any student who had the qualifications but was denied admission to the Cayman Islands Law School?

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: I most certainly do not. If the Member is aware of any Caymanian student who fulfils those academic standards and was (or is) being denied admission to the Cayman Islands Law School, I would be very grateful if he would bring that to my attention.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: I wonder if the Honourable Member can give us an undertaking to inquire as to whether or not this is a fact and, if so, provide that information to us in writing?

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: I think I have offered to hear of any instance the Member knows of. Not only would I be prepared to listen to it, but I will be very grateful if he will tell me. I am not sure how I can undertake an inquiry into something that I understand does not happen. If my understanding is incorrect in any way, I very much want to know about it. But I think I need to know if there is a specific instance.

If he wishes to tell me that in confidence, of course I will be pleased to respect that.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: It is my understanding that qualified Caymanian students were denied admission to the Cayman Islands Law School. I got the impression that it was based on space availability. Can the Honourable Member state if the Cayman Islands Law School has additional capacity at this stage for admissions?

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: There are normally applications for space at the Law School far in excess of the number of spaces available. That is because there are a number of applications from potential overseas students. As I have already said, preference is given to Caymanians who wish to come to the Law School. It is only when those applications have been satisfied that we look to the overseas applicants.

I cannot say here and now exactly what the full capacity of the Law School is, but the 79 students read out in the substantive answer must be very close to that capacity. If the Member can identify a Caymanian student who has been wrongly refused admission, I certainly give an undertaking that I will ensure that the Law School will do everything in its power to admit him/her.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: Initially, the reason for the establishment of the Cayman Islands Law School, was to enable local Caymanians the opportunity to pursue a recognised degree in law here in the Cayman Islands. It appears that policy has changed in regard to admissions. I wonder if the school is at capacity now (79), what is going to happen to additional Caymanian students who have an interest in attending the Law School? Are we going to turn some of the non-Caymanians who are already enrolled away? How are we going to accommodate the additional demand?

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: The policy of the Law School and the Government has not changed at all. The primary purpose of the Cayman Islands Law School is to enable Caymanians to receive an education in Law and to obtain an LL.B. Honors Degree, and, if they wish, to go on and be admitted as Cayman Islands attorneys. That has always been the primary purpose of the Law School, and will continue to be so. I may be so bold as to say that if that is not the purpose of the Law School, why on earth do we have a Law School in the Cayman Islands? That must be the sole purpose of it.

The courses are advertised to enable applicants to apply to the Law School. Of course, we are coming up to the start of an academic year in October, so you would expect the Law School to have filled its places. Each year students move on, hopefully successfully, from the Law School, freeing up space for other students who wish to apply. That same criteria would apply—that Caymanians who apply are considered first.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Member state if he is aware of any Caymanian either within his department or the judiciary who has already received a diploma and is yet being refused permission to enter the Law School?

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: I am not sure I quite understand that question, Mr. Speaker. I think she is asking about a student who already has a diploma. Do they wish to come back to the Law School again? I do not understand what the lady Member is asking.

Mrs. Julianna O'Connor-Connolly: Is the Honourable Member cognisant of any persons now employed in the Legal Department or the Judiciary who have already met the requirements of the Law School, in that they have diplomas, but have been denied permission for the past three years to go to the Law School?

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: If they meet the academic requirements (and I am assuming that she is saying that they do meet those requirements by whatever previous qualification they have), they would get the same priority I talked about. Before any overseas student would be considered they would have priority for the space available.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: Following up on the question asked by the First Elected Member for Cayman Brac and Little Cayman, the space might be available, but in order to attend any classes the civil servant needs the approval of the Head of the Department. Is that not necessary in order to attend?

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: I understand the question. We are not talking about the policy of the Law School, or if the Law School will admit them, but whether their employer will allow them to attend. I think that is straying rather beyond what I am qualified to give an answer on. I do not know the answer to that. There are many issues a student has to deal with before going to college. If they are employed, getting their employer's permission is one of them. It would not be right for me to comment on that. I am not sure that I am the correct officer to ask.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: To clarify the question just asked of the Honourable Second Official Member responsible

for Legal Administration, I think the individuals referred to were employed in the Legal Department. If being the case, perhaps the Member can answer the question.

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: Mr. Speaker, I have not been asked by any member of the Legal Department for permission to attend the Law School. I am not aware of it being requested, and it follows that I am certainly not aware of it being refused.

The Speaker: If there are no further supplementaries, the next question is No. 145 standing in the name of the Member for North Side.

QUESTION NO. 145

No. 145: Mrs. Edna M. Moyle asked the Honourable Second Official Member responsible for Legal Administration when the recommendations contained in the Second and Final Report of the Select Committee established in 1993 to review the Penal Code, and laid on the Table of this Honourable House on 1st December, 1994, will be implemented.

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: The recommendations of the Select Committee are being incorporated into a complete redrafting of the Penal Code. This has been a complex and lengthy project. I have not actually given a date here, but I can say that every effort is going to be made to have this redrafting completed by the end of this year.

SUPPLEMENTARIES

The Speaker: The Elected Member for North Side.

Mrs. Edna M. Moyle: Can the Honourable Member state if any specific drafting personnel are in place for drafting of legislation or amending recommended by this Honourable House.

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: Yes. This project is being undertaken by a Legislative Counsel in conjunction with an experienced Crown Counsel. It is a joint project.

The Speaker: The Elected Member for North Side.

Mrs. Edna M. Moyle: Can the Honourable Member state, since this report was laid on the Table of this Honourable House almost three years ago, if any priority whatsoever is given to drafting and recommendations made by this Honourable House?

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: Priority is always given to drafting requirements from this House. Priorities, of course, change as time goes by, but this is a matter which has been given priority right from the start, and is still being given that priority. I can understand that the lady Member feels that a long time has elapsed. Indeed, it has. But, this particular redrafting of the Penal Code is a very complex matter, one in which a number of factors have to be looked at. A considerable amount of legislation has to be gone through in order to accomplish this particular task—not just the Penal Code, but many other pieces of legislation—to make sure that it is right. We want to make sure that it is right.

It has made good progress. It is at a fairly advanced stage now and I am doing my best to ensure that we have it completed by the end of this year.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Member confirm, since he stated that priority is always given, but that priorities change from time to time, if this is one example where priorities changed?

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: I am not sure that would be a fair assessment. When I say that priorities change, of course as this House well knows, matters come along which particular departments are asked to put at the top of the list. Legislative Drafting is not different from any other department. So, to that extent, priorities always change. But, I would not say that what the lady Member said is a fair comment.

The Speaker: If there are no further supplementaries, that concludes Question Time for this morning. We shall suspend proceedings for 15 minutes.

PROCEEDINGS SUSPENDED AT 11.49 AM

PROCEEDINGS RESUMED AT 12.23 PM

The Speaker: Please be seated. Proceedings are resumed.

Statements by Members/Ministers of the Government. The Honourable Minister for Education, Aviation and Planning.

STATEMENTS BY MEMBERS/MINISTERS OF THE GOVERNMENT

BOXING IN THE CAYMAN ISLANDS

Hon. Truman M. Bodden: This is a statement on behalf of the Honourable Minister responsible for Community Development, Sports, Women's Affairs, Youth and Culture relating to boxing in the Cayman Islands.

"Mr. Speaker and Honourable Members, it gives me great pleasure to advise this Honourable House on the recent achievements of Organisers and participants in the Sport of Boxing in the Cayman Islands during the recent past.

"On May 16 to 18, 1997, the Cayman Islands Boxing Association hosted the 21st Caribbean Amateur Junior and Senior Boxing Championships at which eight countries were represented. The Cayman Islands team did very well winning two gold, three silver and two bronze medals.

"The medalists were:

• Nate Wesley	Flyweight	Silver
• Manuel Borden	Junior Welterweight	Silver
• Orett Eccleston	Welterweight	Gold
• Steven Duffy	Light Heavyweight	Silver
• Naill Lawlor	Lightweight	Bronze
• Ernest Barnes	Light Middleweight	Bronze
• George Foster-Kelly	Heavyweight	Gold

"Five special Awards were given, of which the Cayman Islands received two. George Foster-Kelly was voted best senior, while Steve Duffy was voted best Novice. Mr. Dalmain Ebanks, the Honourable Fourth Elected Member for West Bay in this Honourable House was commended for his outstanding work in Boxing, especially in the Cayman Islands.

"I would like to take this opportunity to publicly congratulate the organisers of this tournament, especially Mr. and Mrs. Joseph Caputo who were the main organisers.

"On August 29 - 31, 1997, the Boxing Association took nine boxers to the Bahamas to participate in a tournament at which the team did extremely well winning four gold; and five silver medals.

"The medalists were:

• Manuel Borden	Gold
• Naill Lawlor	Gold
• Orett Eccleston	Gold
• Greg Stultz	Gold
• Leonard Ebanks	Silver
• Raymond Parchment	Silver
• Clive Barnes	Silver
• Steven Duffy	Silver
• O'Neil Lawrence	Silver

"Again, I would like to congratulate Mr. Dalmain Ebanks, the Honourable Fourth Elected Member for West Bay, and his committee: Mr. Tommy Duffy, Mr. Joseph Caputo, and other volunteers, for what they are doing for Boxing and by extension the youths of the Cayman Islands.

"Mr. Speaker, this statement would be incomplete if I did not mention the splendid performance of Mr. Charles Whittaker who created history on June 14, 1997, in the Cayman Islands when he won the vacant Inter-Continental W.B.A., world title by unanimous points decision. This was an excellent performance, and I would like to use this fo-

rum to congratulate Charles, and wish him the best of luck and God's blessings as he aspires to greater things.

"The success of boxing is one in a series of successes for Sports in the Cayman Islands. I will be making a more comprehensive statement at a later date outlining the successes of the Sports Programme.

"Again, I would like to thank and congratulate the Fourth Elected Member for West Bay for his faith, undying support, and dedication to the development of Boxing and our young Caymanian people in the Cayman Islands. Congratulations D.D."

The Speaker: Other Business, Private Member's Motion No. 4/97. Continuation of debate thereon. The Third Elected Member for George Town.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 4/97 ACTUARIAL STUDY FOR THE ESTABLISHMENT OF A PUBLIC OWNED HEALTH INSURANCE CORPORATION

(Continuation of debate thereon)

Mr. Linford A. Pierson: I rise to make my contribution to Private Member's Motion No. 4/97, entitled Actuarial Study for the Establishment of a Public Owned Health Insurance Corporation. In doing so, I also recognise the amendment that was made to this Motion.

The preamble to the Motion states:

"WHEREAS the Government of the Cayman Islands has passed legislation requiring all persons to have health insurance;

"BE IT NOW THEREFORE RESOLVED THAT the Government consider contracting the services of a management consultant firm [it originally read 'an internationally recognised actuarial firm' but has now been amended to read 'management consultant firm'] to:

- "1. investigate the feasibility of the Government establishing a public owned corporation to provide health insurance;**
- "2. determine what the premium should be for the health insurance package specified by the Law;**
- "3. recommend the organisational and managerial structure for the public health insurance corporation;**

"AND BE IT FURTHER RESOLVED THAT such reports, as produced by the management firm, be laid on the Table of this Honourable House with the decision of the Government on the matter."

This was moved by the Fourth Elected Member for George Town, Dr. Frank McField, and seconded by the Third Elected Member for West Bay, Mr. John Jefferson, Jr. I wish to congratulate the Mover and Seconder of this Motion. Although there are certain areas of the Motion that I cannot specifically support, the overall merit of the Motion is without question.

Before going into the details of my contribution, I must mention that it took me by surprise to see the headline in today's paper which stated, "Government Rejects Motion on lack of data." A Motion is not rejected in this House until the question is put. It seems that the *Caymanian Compass* was completely

out of order to have written an article such as this. It was premature. It shows a total lack of respect for Members who have not yet spoken on this Motion. I think they assumed much, before even half of the Members of this House had spoken, to state that it had been rejected. I know that it may not have been the intention to show disrespect for the Members who had not yet spoken, but that is certainly the way it comes across. My advice would be that in the future more respect be shown for the Honourable Members of this House.

As mentioned earlier, the Resolve section of this Motion asks for Government to investigate the feasibility of the Government establishing a public owned corporation to provide health insurance. There are certain sections I am unable to support, and I will give my reasons. This is one such area, mainly because I am of the philosophy that our Government should be seeking to streamline the public service, thus reducing the size of Government, concentrating more on the reinvention side by providing policies under which service providers operate.

That is not to say that an investigation or feasibility study should not be undertaken as asked for in this Motion. I feel that there is a justification for a feasibility study as requested by this Motion to determine what the premium should be for the health insurance package specified by the Law. In saying this, I also recognise that consideration must be given for the type of liability that could possibly arise if an insurance company is set up in these islands, by Government or otherwise, and it lacks the proper funding. That particular point must be taken into consideration.

That said, I am also aware that back during the 1988-1992 Government a report was commissioned called the Raynor Report. That report was along the same lines, determining a reasonable premium, even though I understand there were certain qualifications to that report because of the lack of necessary data. I would have thought that would have formed a proper basis for further study, and for the Government Bench to take the attitude that there is insufficient data—thus the rejection of this Motion—is to me, not sufficient. That is not a good enough reason.

I feel that Government should seriously consider conducting a feasibility study to determine what the premium for the health insurance package should be. I can hardly see any Elected Member, be he a Member of the Backbench or of Executive Council not supporting that section of the Motion if he has the interest of the people of this country at heart.

The Health Insurance Legislation was passed on 19th June, 1997. The Business Paper states that the Health Insurance Regulations will be tabled during this meeting of the House. Even though I will not be debating this, I would like to make reference to it. One of the sections, I believe it is section 6, states, “**Each approved provider shall prior to its first effecting any standard health insurance contracts notify the Authority of its standard premium.**” My question is, Why should an approved provider notify the Authority of the standard premium if that Authority has no idea whether the premium is reasonable or not? Or has conducted no study to determine what level of premium should be charged?

We have the Government putting into regulations a condition they are unable to fulfil. It seems that they are reluctant to even look into it. How can they say that they are going to regulate insurance in the Cayman Islands if they are not prepared to do the necessary studies to determine what level of insurance premium should be charged? How can any Member of this Honourable House say that he is representing the interests of the people of these islands while at the same time stating that

he is reluctant to check into the level of insurance premium they will be forced to pay?

We cannot talk out of both sides of our mouths. If we are representing the interests of our people, we have to do it with honesty and sincerity. It will be interesting to see what Member will reject that duty he has to his constituents.

Mr. Roy Bodden: Only if we call for a division!

Mr. Linford A. Pierson: Mr. Speaker, a division should be called at the end of the day, and I am hoping that the Honourable Members on both sides of this House will forget about party affiliation or partisan politics and consider the interests of the people of paramount importance. It is their duty as representatives to ensure that they do all within their power to see that their constituents are protected.

Mr. Roy Bodden: Preach, brother, preach! You are telling the truth.

Mr. Linford A. Pierson: What I also find somewhat strange is that the Fourth Elected Member for George Town, in his efforts to have this Motion passed, amended it. The Motion would have had a much more significant effect if it had been presented and moved in its original form.

The original Motion read: “**BE IT NOW THEREFORE RESOLVED THAT the Government consider contracting the services of an internationally recognised actuarial firm.**” Mr. Speaker, a management consultant firm is not qualified to do the work that an actuarial firm would. But in the Mover’s cooperation and efforts to try to have the Motion passed, he agreed to reduce it down. He got the impression that if he changed the wording of the Motion it would be accepted by the Government Bench.

How could the Government Bench agree for the Mover to amend this Motion and then turn around and reject it? I have never seen this done before. It is totally incorrect. It should not have happened. When a Member of Executive Council—and I have sat on that side of the House, Mr. Speaker, as a Member of Executive Council—tells a Backbencher that if he is prepared to amend a Motion in accordance with the wishes of the Member of Executive Council, the impression is given that the Member of Executive Council is accepting that Motion. I say this with reluctance because I think the world knows that I have the very highest regard for the Honourable Minister. But I am surprised that after the Mover of the Motion agreed to amend it by reducing its effectiveness, that even at that stage it has been rejected.

The excuse given is that we do not have sufficient data. At what stage are we going to have sufficient data? Why are we not prepared to accept this Motion and start working on obtaining and collating the necessary data?

In Moving this Motion, the Fourth Elected Member for George Town admitted that getting the necessary information is not going to be an easy job. But something should be done, a start needs to be made. In the same way that every department of Government is bringing in experts to advise them, the same sort of service should be provided to accommodate this Motion. How is Government going to regulate the Health Insurance if they do not have proper guidelines? This cannot be emphasised enough. When will they be making an effort to put these guidelines in place?

The people of the Cayman Islands need to take their representatives to task and hold them accountable on a Motion of this importance—not only the Backbenchers, but Ministers of Executive Council alike. The year 2000 may seem like it is a

long way off, but we are looking at just a little over two years. I hope that the people will make a note of those Members who are interested in their welfare.

It is not too late for Honourable Members to change their minds. We are not saying that this Motion can be dealt with overnight. The Mover and Seconder are not asking for miracles, they are asking the Government to consider the merits of the Motion and consider a study to determine whether certain things can be done or not. How can Government say 'No', when it has not even made an attempt to look into what the Motion is calling for? Government should have accepted this Motion.

I too had some reservations, as I mentioned earlier. But with sufficient thought to what the Motion was seeking to obtain, I am now able to support the Motion with the qualifications I have made. Such a report as I have called for would prove an invaluable tool which would ensure that our people are charged reasonable premiums.

Before winding up on this, I wish to clarify that my reservations on this Motion are based primarily on sections 1 and 3. I am of the view that Government in the process of its reinvention and re-engineering should be concentrating now on providing appropriate policies whereby services can operate; and not necessarily getting involved in providing those services. If this Motion is seriously considered by Government, it can still accomplish those aims and objectives.

I wish to extend to each Honourable Member of this House, especially the Elected Members, the invitation to once again consider the importance of this Motion and what it calls for.

I support this Motion.

The Speaker: This would be a convenient time for the luncheon suspension. Proceedings are suspended until 2.30 pm.

PROCEEDINGS SUSPENDED AT 12.51 PM

PROCEEDINGS RESUMED AT 2. 59 PM

The Speaker: Please be seated. Debate continues on Private Member's Motion No. 4/97.

The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddén: I believe that every Member of this House would say (and has said) that the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation has, in his quiet way, moved forward and done more for health in this country than any other Minister, including me who had responsibility for Health for some eight years. He has always put forth his views in a firm, fair and honest way, and for the first time the people of this country are at a stage where health insurance will be a reality.

Past Governments have tried and not succeeded. The time comes when a Minister, and Members of this House, must take their decisions on the principle of what is good for the people of the country, and move forward. Today we are at a stage where the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation has finally succeeded in moving forward and is on the verge of bringing in a health insurance scheme that will benefit everyone in this country.

I do not believe that there is anyone in this House who would not be prepared to say that we must move forward with health insurance now. People without health insurance are crying out for the scheme to become mandatory where they will be entitled to the medical benefits due anyone within this (or any) country. With that background in mind we have to look at the importance of moving forward now with what is definitely of

benefit to the country, and to get on with the health insurance at this stage.

I believe that the Mover and Seconder of this Motion, and those who have supported it, obviously are genuine in their approach. I have some sympathy with what the Motion is trying to achieve. I hope that when we look at the two parts of this Motion... because one part is for Government to look at establishing a public-owned corporation to provide health insurance, and the organisational and managerial structure for the public health insurance corporation; the other is that we should appoint this actuarial firm to determine what the premium should be for health insurance package specified by the Law. There seems to be some controversy around this second part.

The question of what premium is fair or not fair, can only be established when there are proper statistics in place upon which to determine it. Very shortly, regulations will be brought into this Honourable House providing the basis upon which those statistics can be gathered. In a couple of years' time, they will be in place. I do not feel holding this up at this stage and bringing in a actuary, whether international or local. . . considering the fact that the Insurance Committee had access to a lot of expertise in this country very capable of looking at premiums and coming to a conclusion as to what should be fair and reasonable.

The Third Elected Member for George Town spoke about the 1988-1992 Actuarial Report. So, there is a Government Report that has looked at this. But, what the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation has pointed out is that there is not sufficient statistics now. The proof of the pudding lies in the fact that when the 1988-1992 Government commissioned this, the actuary basically told them the same thing. So, if anyone should be convinced that information in the local market on health statistics has to be received, it should be the Third Elected Member for George Town who was a Member of the 1988-1992 Government.

Based on the actuarial report of the 1988-1992 Government, they determined that the premium should be \$45. If one was over 65 years of age, it should be \$178. The Honourable Minister is helping the public because the premium now being looked at is well under this figure. With the 1988-1992 Government, with their many studies, their actuarial study in this case, had produced figures that would have hurt the public. What the public really wants from us is, first, health insurance; and, second, a reasonable premium. The Minister for Health is doing that.

The question of what was going to happen to the older people of this country was asked by one Member. The older people, under the actuarial report, were going to pay \$178, now they will pay \$35. For the life of me, I cannot understand how delaying things for an actuarial report is going to help the people of this country. We know what the premium is. What the report clearly brought out (and I think this is very important) was that what had to happen was a period during which they would, and I quote. . . . Well, I do not want to quote from this because I do not know if it went public. What was made very clear was that they had to develop statistical reporting requirements for the insurance companies. Once those requirements were received, then what the actuary said was that the statistics and forms would allow the experience of each insuring entity to be assessed and the experience of the Cayman Islands in respect of the standard benefits to be looked at as a whole.

What the Government is really saying is that the time will come when a meaningful actuarial report can be done. But, what the report brought out very clearly was that at the time it was dealt with there were clearly not sufficient statistics, nor were the necessary regulations in place to gather necessary

statistics. What the Honourable Minister has very capably and cleverly done is, if he had brought in an actuary. . . and the actuary was out of Bermuda, as the Third Elected Member for George Town knows, in the days when they wanted the elderly to pay \$178. That is a very astonishing thing. The people who need it. . . I think the Mover of this Motion asked what will happen to the older people? Under the present scheme they will pay the same fee that the person who is young (or middle-aged) would pay. There is no prejudicing of the elderly or young when the liability to the insurance companies would be less.

The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation has stated that in fairness this Honourable House should be cautious in passing a resolution which could not effectively be carried out in the very near future. He has had this report. He has had people on the Committee with insurance experience. There must have been people with this experience because it is in the public's interest that we do not follow the actuarial report which has stated that premiums should be \$45 up until 65 years of age, and then \$178.

It would be unfortunate for an impasse to come on a matter so important as health insurance in this country. What does the public ask the Minister in this House to do? They ask him to provide health insurance. Their children are suffering without this health insurance, there are people who do not have it. Those people will be covered fairly shortly. That is the first point. So he has discharged his duty to the public.

The second point is that the premium must be reasonable. The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation has stated that the average premium is \$35. The actuary said \$45, and \$178 if you are over 65. I do not believe that going in and paying out good money on an actuarial report is going to achieve anything at this time.

If this Motion came back in two or three years when the proper statistics are in place, then perhaps that would be the time for the assessment. The Mover and Seconder of this Motion had no way of knowing that an actuarial study had been done, but the Third Elected Member for George Town knew, because it was during his Government's time that the premium was set. He, as Minister. . .

Mr. Linford A. Pierson: That was five years ago.

Hon. Truman M. Bodden: That bears my point out even more. The Honourable Member said, "five years ago." If the actuary said \$45, and \$178 five years ago, the actuary would double it now.

The Honourable Minister has brought in health insurance, something no other Government in this country has been able to do, including my past Governments and those of the Third Elected Member for George Town.

The report that set the figure at \$45 and \$178 was in February 1992. Can you imagine what figure they would come up with five years later?

Mr. Roy Bodden: It could be less!

Hon. Truman M. Bodden: Has anybody's health insurance gone down in the last five years? Members must deal with reality. We live in a realistic world. It is utter nonsense to speculate that five years down the line things are cheaper than they were five years ago.

I would like to point out that the Mover and Seconder and the other Members who spoke on this, had no way of knowing that the report was here. I can well see how they could have put this Motion the way they did. But I hope that now that they have seen this they will bring this Motion in a couple of years' time,

once the statistics are in place. I want to stress this because the consulting actuary, Mr. John Raynor put exceptions in his actuarial report. Because there were no statistics, he said the decision had to be the Minister's, then, Mr. D. Ezzard Miller.

As the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation has said, actuaries are not magicians. They can only come up with figures, then a decision has to be taken. From the public's point of view, I am saying that they are finally getting health insurance and it is a cheap premium. When you have both things right—the public wants health insurance—I say let us take it and move on. In two years we can look at the statistics that have been gathered. Regulation 13 provides the basis to refer to an actuarial report to get the statistics needed for an actuary, further down the line, to make a proper decision.

There is nothing wrong with the Motion, and I am very sympathetic to it, but I believe that if there had been knowledge of the actuarial report which had already been carried out five years ago—and was obviously worked on over a period of time, but came up with such surprisingly high premiums—then it would have been different. If this Motion comes again in two years when we have the statistics, it could be meaningful. At this stage, in light of the fact that the actuarial report hurts the public—and I want to point this out. The actuarial report here now hurts the public because it increased the premium from \$35 to \$45, and the \$178. . .

Mr. Linford A. Pierson: On a point of order, Mr. Speaker.

POINT OF ORDER
(*Misleading the House*)

The Speaker: What is your point of order?

Mr. Linford A. Pierson: The Honourable Minister is misleading this House. The actuarial report he is talking about was only mentioned in passing. I mentioned that it was never tabled in this House. He is giving the public the impression that it was adopted and tabled in this House and used as a guide by the Government. That is not true.

The Speaker: I think the Honourable Minister did say that he would not quote from it because it had not been tabled.

Hon. Truman M. Bodden: I have been very careful not to quote. I am sitting here with *Erskine May* opened to the page about it. I will not quote from it. What I am holding here is the Motion, but the hard facts are that the Law came out in 1992 with \$45 for people up to 65, and \$178 for people over the age of 65. It was a heartless and brutal Law on the aged of this country. And it was based on a report.

The approach taken and advanced by the Third Elected Member for George Town. . . and I am addressing a lot of these comments, through you, Mr. Speaker, to the Member because he knows better. The Mover and the Seconder were really not privy to the report.

The other area which asks Government to investigate the feasibility of establishing a public owned corporation to provide health insurance is like the question of looking at captive insurance. It is complex. It carries a lot of liability because when you insure a lot of people there is a lot of contingent liability involved. But if I may be frank, I do not believe that Government should get into a business that it does not know and run it. A public insurance company takes a lot of skill and a lot of effort.

If a study needs to be done in that area, the best place for it to be done is here because this country runs more captive insurance companies than any place else in the world, other

than Bermuda. But I have to point out that even Lloyds of London, the largest insurance company in the world that survived 400 years of insuring, somehow got into trouble. I would be very reluctant for the Government of this country to get into the insurance business. I believe that there is a lot of risk. I know it! A study in that area would have to be extremely convincing before I would say yes to having the public's funds going in to fund an insurance company. A lot of capital would have to be put into it.

I am not saying that if the public feels their money should be put into an insurance company that I would not carry that out. It would be my duty. But I would caution Members of this House that a Government public corporation to do insurance carries some heavy liability. This Government could pay a lot of money if things went wrong.

The other area is that insurance carries unknown risks. One of the things that would have to be very clearly established is the extent to which the Government was personally responsible to pick up in the event the company suffered losses. I am merely stating a very cautious approach. If we are taking in premiums of, say, \$4 million or \$5 million per year in a public owned company, and suddenly we are hit with heavy overseas liability for insurance, we could pick up a substantial loss in that year. Overseas medical is not cheap.

I believe that the intent of the Motion is good and that the Mover and Seconder are genuine in their motives, but I also believe that I would rather see health insurance up and running—let us look at it and see what the risk is. Let us not get into the unknown of it at this stage. If the risk has to be run, then let private companies run it. They have spread their risk far beyond Grand Cayman—they have spread it to North America, Europe; big companies like Lloyd's and Aetna, those that are world-wide, have spread it. We do not have the size in this country to do so.

On this second part I am saying that extreme caution has to be exerted to ensure that the public's money does not go into a company that could have very heavy losses. Not only that, but if the policies could not be honoured, the public would suffer. I am saying that the idea is good, but it has to be looked at very cautiously.

I have sympathy with the part of the Motion dealing with appointment of an actuary. I feel that the Mover and Seconder mean well. But, in reality, as the actuary has said, 'the proper statistics have to be put in place before a meaningful actuarial report can be done.' There is already an actuarial report, and it is not meaningful.

The Law brought to this House in June 1992 by the 1988-1992 Government had premiums of \$45 and \$178 for those over 65. What the Minister for Health is putting forward calls for premiums beginning in the area of \$35, but with the elderly of this country protected. You must remember that it is our duty to see that that protection goes in. How is the public protected? A lot was said about wasting public funds but not protecting the public.

The public in this instance is protected, first of all, by health insurance. The Minister has put that forward. Second, the premium is low. Now, the premium is \$35 to begin with, depending on the family size, but the premium was \$45 before and \$178. So, on both counts, I think the Minister has done what is right.

I would like to see the public get health insurance at a low premium. I do not believe that an actuary will help us at this stage. If five years ago it was far more—vastly more than it is now—an actuary will not bring it in at any less.

The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation has very honestly and effectively, in his quiet way, moved forward with health insurance. It is about to be

a reality. The public is about to benefit. I hope that politics does not come in the way to either delay it or do anything that would increase the premium the Minister has so carefully and effectively negotiated.

He has achieved what no one else in this House has been able to achieve in the 20 years I have been here. We are on the verge of giving the public what they need—health insurance at a premium lower than what was recommended in June of 1992, more than five years ago. What more can this House ask of the Honourable Minister? I ask the Members to please rethink this. Maybe there is a way that there can be a meeting of the minds, but if not, they should not delay what the public is going to get or do anything that will increase the premiums.

I fully support the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation. I have sympathy for the Motion and with the Mover and Seconder of it, but I believe that what the public is getting now is for their benefit. The public is being protected. What is moving forward now should be brought in as quickly as possible so that the public can have health insurance. I believe that is what the public wants and what this legislature should give.

The Speaker: This may be a convenient time to take the afternoon break. Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 3.32 PM

PROCEEDINGS RESUMED AT 4.47 PM

The Speaker: Please be seated.

The Honourable Minister for Education, Aviation and Planning.

ADJOURNMENT

Hon. Truman M. Bodden: Mr. Speaker, I move the adjournment of this Honourable House until 10 o'clock tomorrow morning.

The Speaker: The question is that the House do now adjourn until tomorrow morning at 10 o'clock. I shall put the question. Those in favour please say Aye... Those against No.

AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned.

AT 4.47 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM FRIDAY, 5TH SEPTEMBER, 1997.

**EDITED
FRIDAY
5TH SEPTEMBER, 1997
10.14 AM**

The Speaker: Prayers by the Honourable Acting First Official Member responsible for Internal and External Affairs.

PRAYERS

Hon. Donovan Ebanks: Let us Pray.

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

Bless our Sovereign Lady Queen Elizabeth II, the Queen Mother, Philip Duke of Edinburgh, Charles Prince of Wales, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed.

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

APOLOGIES

The Speaker: I have received apologies for late attendance from the Honourable Third Official Member who will be arriving late this morning.

Item number two, Questions to Honourable Members/Ministers. Question No. 146 stands in the name of the Third Elected Member for Bodden Town.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

QUESTION NO. 146

No. 146: Mr. Roy Bodden asked the Honourable Minister for Education, Aviation and Planning to state the monetary value of tickets donated as prizes for various events and given as promotional gestures by Cayman Airways Ltd from January 1996 to June 1997.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: It is very difficult to answer this question as asked. For example, Cayman Airways Ltd works with the Department of Tourism to bring many travel agents and travel writers to the Islands on promotional trips. The airline also supports many local businesses and charities by giving airline tickets as prizes. However, these tickets would have no value unless the winners would otherwise have paid for a ticket. Many of these prizes are restricted either by flight number, by day of use, or even by period, such as Easter or Christmas. As the National Airline, Cayman Airways Ltd responds to its duty to support the efforts of the Department of Tourism and the community at large by making this facility available. However, the Airline does not do this lightly, and each request is decided upon its merits.

SUPPLEMENTARY

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister state if any provision is made for these types of donations within each financial year? For example, many companies include in their budgets an amount for public relations, an amount for advertising and for donations to charities. Is a similar provision practised by Cayman Airways? If so, why is he unable to say what amounts are set aside each year for these purposes?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: What the Member has stated would be the norm in a company that was trading otherwise. Most of the tickets, in fact the vast majority, are space available tickets, where we would not have been carrying anyone in that seat anyway; or, as we say, there would be restrictions where they could not fly during

Easter or Christmas. So we do not actually put any amount in the accounts for it.

There is an argument that perhaps some amount could be put in there and I will take that point on board. We will look at that to see if it would be the better course.

The Speaker: If there are no further supplementaries, the next question is No. 147, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 147

No. 147: Mr. Roy Bodden asked the Honourable Minister for Education, Aviation and Planning how many approvals for the placement of antennas have been granted since CITN became operational.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Approval has been granted for the installation of 52 antennas since April 1993, which is when CITN became operational. CITN then began the installation of antennas for Weststar Cable. Prior to this, the only means of receiving any television channels other than the local stations was via satellite dishes.

It should be noted that not all above antennas are for television. At least two approvals were for amateur radio antennas and at least seven approvals are for telecommunications' antennas installed by Cable and Wireless on or near buildings, banks in particular.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister state if it is necessary for some fee to be paid prior to receiving approval for the antennas?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The answer is yes, a fee is charged.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister state whether all the fees and charges have been collected in the case of the antennas for CITN?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I have been advised that we are not owed any money in Planning for these. . . . I cannot say anything beyond that.

The Speaker: If there are no further supplementaries, the next question is No. 148, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 148

No. 148: Mr. Roy Bodden asked the Honourable Acting First Official Member for Internal and External Affairs what arrangements exist to ensure that prisoners who have to be outside the prison compound on work detail are properly supervised at all times.

The Speaker: The Honourable Acting First Official Member for Internal and External Affairs.

Hon. Donovan Ebanks: Prisoners participate in work details outside the prison compound under two types of arrangements, namely: (a) Work parties of no more than eight prisoners of category 'C', the lowest risk category under the prisoner classification system, are supervised by one Officer for the duration of a work period; and (b) Individual prisoners perform regular tasks outside the prison compound, but on prison property, in an unsupervised but regularly monitored basis.

Eligibility of prisoners for participation in this "unsupervised work" is limited to category 'C' prisoners who must meet additional criteria, including being Caymanian and having less than six months to serve.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member say what procedures are in place to prevent prisoners from wandering outside of the range of supervision; and what the procedure for retrieving these prisoners to the work detail is?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: In respect of the supervised prisoners, anyone wandering away from the party and detected by the supervisor would occasion an alert and some physical search for the prisoner. There are no electronic or other devices attached to the prisoners to afford any alert. In the case of the unsupervised prisoners, anyone detected during monitoring as having strayed from the assigned task and location would similarly occasion an alert and search.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: In the event of prisoners working in close proximity to occupied areas, can the Honourable Member state if residents are alerted to the fact that prisoners are going to be working in the area, and asked to keep a lookout for prisoners who may wander away, prior to the work detail being put in place?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: All of the areas that prisoners work in are areas on prison property. The work details, as such, are of an ongoing and continuous nature, except for Saturday and Sunday. I cannot say what ongoing arrangements or notifications exist. I expect that people in that area are aware of the proximity of the prison and would naturally alert the prison authorities if they saw someone either on the public road or on property that was theirs or someone else's.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Is the Honourable Member aware of the fact that there are some prisoners in 'category C' as indicated in his answer, who leave the compound and go visiting and come back at will?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: No, Mr. Speaker. I am certainly not aware of any such liberties. I will certainly inquire of the prison authorities.

The Speaker: If there are no further supplementaries, the next question is No. 149, standing in the name of the First Elected Member for Cayman Brac and Little Cayman. It is my understanding that this question will be answered by the Honourable Acting First Official Member.

QUESTION NO. 149

No. 149: Mrs. Julianna O'Connor-Connolly asked the Honourable Acting First Official Member for Internal and External Affairs if Government has any policy in regard to the renting of the backhoe at the Cayman Brac Public Works Department to private persons or companies.

The Speaker: The Honourable Acting First Official Member for Internal and External Affairs.

Hon. Donovan Ebanks: Yes, the policy for hiring Government equipment is laid down in Financial and Stores Regulations 7.82.

SUPPLEMENTARIES

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Can the Honourable Member say whether Financial and Stores Regulations 7.82 have been changed within the past four weeks?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: Not that I am aware, sir.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: If there was a conspicuous change to Regulation 7.82 in the past four weeks is the Honourable Member saying that is was not with his consent or knowledge?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: Mr. Speaker, I am sorry, but I did not follow the lady Member's question. Perhaps she could repeat it.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Am I to understand that if there was a conspicuous change to Regulation 7.82 that it was done without the cognisance of the Honourable Acting First Official Member?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: If there was a change, I am aware of it.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Would the Honourable Member give an undertaking, if I bring to his notice this change, that he will assist in rectifying it if it were not done in accordance with the set traditional, conventional procedure?

The Speaker: The Honourable Acting First Official Member.

Hon. Donovan Ebanks: I would certainly be grateful for any information which indicates that someone may not be complying with the regulation. As far as a change, I would expect that a change could only be made by the Governor in Council whose regulations I understand these to be. As far as reversing that change, I really do not see what undertaking I can officially give.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: I thank the Honourable Member for his honest answer.

The Speaker: If there are no further supplementaries, the next question is No. 150, standing in the name of the First Elected Member for Cayman Brac and Little Cayman.

QUESTION NO. 150

No. 150: Mrs. Julianna O'Connor-Connolly asked the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation has the storage shed at the Faith Hospital been constructed and if not, why.

The Speaker: The Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation.

DEFERMENT OF QUESTION NO. 150 Standing Order 23(5)

Hon. Anthony Eden: Mr. Speaker, I was just made aware of this question this morning. I will undertake to answer it shortly.

The Speaker: Are you saying that you will give the answer in writing?

Hon. Anthony Eden: Yes, Mr. Speaker. It depends on the length of this sitting of the House.

The Speaker: Please move a motion that the question be deferred so that I may put the question.

Hon. Anthony Eden: I move that the necessary Standing Order be suspended so that this question may be taken at a latter sitting of this House.

The Speaker: The question is that question No. 150 be deferred until a later sitting or answered in writing. I shall put the question. Those in favour please say Aye...Those against No.

Mrs. Julianna O'Connor-Connolly: Mr. Speaker, on a point of clarification, did the Honourable Minister say in writing or at a later sitting?

The Speaker: It can go either way, but it is my understanding that the Business on the Order Paper will be completed today. We would then not have another Question Time. It can come again in the next Meeting.

Mrs. Julianna O'Connor-Connolly: Provided that it is no problem for the Minister. It would be my preference to have it at the next Meeting so that it can be heard.

The Speaker: You would prefer to have it as an oral answer?

Mrs. Julianna O'Connor-Connolly: That is correct.

The Speaker: The question is that it be deferred until the next Meeting. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. QUESTION NO. 150 DEFERRED UNTIL THE NEXT MEETING.

The Speaker: That concludes Question Time for this morning. Item three, Other Business, continuation of debate on Private Member's Motion No. 4/97, Actuarial Study for the Establishment of a Public Owned Health Insurance Corporation

The Honourable Minister for Education, Aviation and Planning.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 4/97

ACTUARIAL STUDY FOR THE ESTABLISHMENT OF A PUBLIC OWNED HEALTH INSURANCE CORPORATION

(Continuation of debate thereon)

Hon. Truman M. Bodden: Mr. Speaker, I have circulated an amendment to this Motion. With your permission, I seek leave to move that.

The Speaker: The amendment has been circulated, would you like to speak to it?

AMENDMENT TO PRIVATE MEMBER'S MOTION NO. 4/97

Standing Order 52(1) and (2)

Hon. Truman M. Bodden: This Motion reads: "1) in paragraph 1) by adding at the end thereof the words 'for Civil Servants, their families, indigents, pensioners and other persons for whom Government has responsibility for medical expenses'; and "2) in paragraph 2) at the end thereof by adding the words 'for such corporation.'"

If this amendment is accepted, Private Member's Motion No. 4/97 would then read:

"BE IT NOW THEREFORE RESOLVED THAT the Government consider contracting the services of *[and there was an amendment]* a management consultant firm to:

"1) investigate the feasibility of the Government establishing a public owned corporation to provide health insurance for Civil Servants, their families, indi-

gents, pensioners and other persons for whom Government has responsibility for medical expenses;

"2) determine what the premium should be for the health insurance package *for such corporation specified by the Law;*

"3) recommend the organisational and managerial structure for the public health insurance corporation;

"AND BE IT FURTHER RESOLVED THAT such reports, as produced by the actuarial firm, be laid on the Table of this Honourable House with the decision of the Government on the matter."

I believe that as originally presented this Motion was not clear as to its intent, and how the section relating to the health insurance package tied in. I looked at that as a separate part, and not tied into the publicly owned corporation. Normally, when Motions like this come we have sufficient time. . . people are not on leave, or off the island as they are in July, August and September. But I did not understand it that way.

The concept of this, to carry out this study. . . there is a lot of information. Government has the cost and details of carrying out its medical insurance. This is something we do have, because we pay for this. It is therefore simpler for an actuary to look at that and say that maybe we should go with an insurance company.

I would like to say that there will obviously be interim reports. I would like to make it clear that if in an interim report, or at any stage, it appears that this should be extended further to allow people (ordinary citizens) to voluntarily—not compulsorily—come into the company, and if it is feasible, then the study should also take this in. But, for it to work it must have the Government's civil servants. We are looking at 2,000 employees. We are looking at spouses and children. So we are probably looking at close to 4,000 people coming under this.

Government has looked at how it should go. We are spending a large amount of money. Every year this legislature votes a lot of money. There are three ways Government could go: It could remain as it is now, where it just pays out of recurrent each year; it could set up an insurance company (what is commonly called a captive insurance company). That company would then insure a layer of that because Government may not wish to take full liability. There are ways in which, say, the first \$50,000 or \$100,000 of claims could be accepted by Government which would limit our liability considerably. The rest would be laid off in a market abroad.

It could also be (and I am sure the actuary would look at it from this point of view) that the insurance company would take the full amount of the local expenses for medical services in Cayman. But it may want to take, say, \$50,000 of the first part of the insurance in the United States or Jamaica, somewhere abroad. We would find that Government could, depending upon the report (and everything that I am saying here would depend upon the report), self insure in a prudent way. The profits, if there were any, would then be the profits of the people.

I hope, if it is sought at a later stage to open it and allow the public at large to voluntarily come under the umbrella of it, that it would then be run as a non-profit corporation. If members of the public are involved, the Government should not look for profit in that area. I doubt if they would anyhow.

I believe that the premiums received by that corporation should be segregated so that they do not fall into the general pool that politicians generally pay expenses from. The same as with the Government's pension, I believe that should also be segregated, and kept separate and apart from the general pool of money.

The reason for saying that is that many countries, including the United States in relation to pension and social security, find that they are under funded. I am happy to say that the pensions are just about to the stage. . . this Government found \$4 million, and I think there are now \$23 million in the pension reserves. If we had followed other Governments we could have put \$19 million into the General Reserve. How good that would have looked. But we have a responsibility to the civil servants and to the public to get that pension fund on the proper footing. I think that we should do the same with this.

I hope that as we always try to have a meeting of the minds, a bit of give and take. . . and I must say that the House has remained considerably quiet when compared to some of the sessions from the past. We always try to find a compromise that satisfies all Members of the House, at least as many Members as possible.

I would like to stress that without civil servants in a captive insurance company. . . there are not sufficient people for this to get off the ground. So the initial decision has to be (in relation to Government anyhow) whether we go with a captive insurance company. If we find that the study says it is feasible, then the risk to the public has been removed. If the public voluntarily—and I want to stress that it is voluntary, because I want this separate from the past where we were talking about Government running mandatory health insurance (which I totally disagree with)—if they voluntarily wish to come under it, then there is no reason why it could not be opened up.

I would like to say that with the amendments the insurance committee has looked at these three alternatives for Government because we do have a large number of civil servants, and their medical has to be covered. I believe that the study will show a more prudent way of insuring the civil service. If the scheme is good and it works, then it could be extended.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: I would like to make a few brief comments regarding the proposed amendment. In so doing, I would also like to say that I am quite happy with the way in which Government is dealing with this particular situation in that it continues to concede that the idea is not moved only because of genuine motives, but because of some good logic. In fact, what Government has done is

stretch the possibilities for this Motion to become successful.

The more we talk about the Motion, the more we realise that it really does make sense. My concern with the Honourable Minister's amendment is that I feel by adding at the end of thereof the words "for Civil Servants, their families, indigents, pensioners and other persons for whom Government has responsibility for medical expenses," he is defining the scope of the study, the task. When we hire someone and they come back and tell us that they have collected information and analysed the situation based upon the consideration of these 4,000 or so people, they are not obligated to provide us with any additional information that would cause us to be able to decide whether or not this public corporation could serve an even larger number of people in this country.

The essence is to see that premiums are reasonable and that the burden of paying for health insurance does not become so great that it causes any type of inconvenience to any member of the population, whether or not they work for the Government, are indigent or are pensioners. The question is to try to spare the population as a whole the burdensome task of having to pay for health insurance that would perhaps be expensive if the Government does not become involved in a scheme that it is capable of participating in because of the numbers already within its fold.

I am saying that there are many different types of insurance. There is no one particular way in which different countries have approached this problem, because there is no absolute solution to it. We are still experimenting on perfecting it. Although we could say that Government involvement did not work in one country or another, we cannot look at any country and say the private concept, the *laissez faire* concept, of insurance has worked. There is no proof that that can work; and that by Government not becoming involved in the question of providing insurance that we will have a perfect situation.

What will take place as a result of the Government having brought in this Law compelling everyone to have insurance is debatable. What the future will hold is debatable. We are trying to determine as far as possible what the future will be by gathering information that will cause us to make sensible and reasonable decisions. I believe that if we are going to do a study, we might as well do a complete one.

Although I realise that this is an interesting compromise for the Government to be making, my approach is that we were all elected by the people of these islands. We are all equal in this parliament. The Government does not have a monopoly on intelligence. We are not trying to embarrass the Government, we are trying to educate it by way of talking about the specific problems that we have become concerned with. I think this is good, because Government cannot get out among the people to the extent we can because of its busy schedule. This is how democratic process works. The Government comes in here at least four times a year by Law, and at that particular time it leaves the fourth floor and comes down to the bottom floor where we are all equal.

Democracy, because we are all equal, has to do with numbers. Basically, we are playing a numbers game. But we all have one equal vote. The vote of a Minister of Government is not more powerful than a Backbencher's vote. It is about time that the Backbench exerted the power it has four times a year. The Ministers come here to be influenced by the Backbench. If all that happens is that the Ministers come to influence the Backbench, then the democratic, collective process is not really working.

I am happy that the Honourable Minister for Education, Aviation and Planning has become involved with the dynamic process of evolving the Motion to the extent where it makes good sense for everybody to accept it. But in that process of evolving this Motion he has pointed out the necessity of the Motion, and that he has to a certain extent. . . and he has a lot of things to deal with, he cannot deal with everything. I am a full-time MLA, and I sit in my office and think about things like this. I take telephone calls from people and I listen to them.

I feel that I am being very helpful to the Government when I ask it to consider . . . because I am not imposing anything upon it. I do not have the power in this parliament to impose any Motion on the Government that would commit it to spend funds not included in the Budget. Therefore, the word 'consider' is the major point.

I have tried to not discuss the philosophy of Government being involved in certain things or not being involved in certain things. I have tried not to discuss how I think the company would look, and who it would insure. I have tried not to discuss this, because to discuss it would be from the point of view of opinion and therefore from the point of view of disadvantage.

We are approaching the 21st Century. We have many different ways to arrive at conclusions that are much more scientific. We are hoping that we are evolving a democracy here that will be based upon scientific opinions rather than on opinions of what we like. It is a little bit more complicated when we are dealing with more people than just ourselves. The process of thinking for more than ourselves depends upon being able to collect information to arrive at these conclusions.

If the exercise is to collect information so that we can make a decision, why are we trying to make the decision here as to what will happen? We are trying to make a decision to cover civil servants, indigents, and pensioners—but that is not what the Motion is asking for. The Motion is not asking us to make a decision about who will be covered by this publicly corporation; it is asking us to consider a study that would provide us with the information to decide whether or not the public owned insurance company would be feasible in the first place. If it were, that would be one thing. Maybe it would not be politically desirable, although economically feasible. But that is another stage of the decision-making process.

We are trying to accomplish two things here today, and I do not think that was what the Motion called for. It called for consideration of a study to make a decision about who should be covered.

My attempt in soliciting the support of the Third Elected Member for West Bay (knowing that he is a

Backbencher for the National Team) was not to cause him any inconvenience in terms of his loyalty to his particular Ministers, but it was to suggest that some positive things can come from the Backbench; and that the Backbench can conduct itself with a certain amount of dignity in terms of advising the Ministers in a public forum—the only forum where we can advise them. It does not mean that it has to be politically violent, saying that they have not done their jobs. That was not the point of this Motion. I would not have tried to involve the Third Elected Member for West Bay in this Motion if I did not have the feeling that we were in agreement when discussing the question of health insurance when voting on the Health Insurance Bill

I believe that the Government can, in good conscience, support the amendments I made to this Motion; and that the Government does not need to come back with amendments to my amendment. It creates a problem in that it does not make the Government ambitious enough. The total ambition of the Government should be to know, and only through knowledge can we make correct decisions. But if they limit the research, they will limit what they should know.

I think it is very important that the Minister understand that the semantics involved here limits research. If you tell someone that their brief is to look into the feasibility of setting up a public corporation that would be interested in providing health insurance for Government civil servants and their families, indigents and pensioners, that is as far as they are supposed to go. You are determining that now. We are saying let how far Government goes be determined by the outcome of an intelligent study.

I do not think that the Minister really disagrees with me here. Hearing his remarks, I can almost say that I do not disagree with the Minister. But let us give the people who do the study the benefit of the doubt and allow them to go as far with their research as their mission statement will allow.

In speaking to the amendment, part of the reason why the Motion was not first accepted was because of the lack of information. Now, what is being said is that we do have some information (at least in regard to civil servants and their families). That is fine. At least we know that one part of the study could rely upon a body of information that is surely there. The other part of the study would not necessarily be as scientific because of the lack of data, but it could nevertheless give us an indication.

When I started to prepare for this Motion, I tried to contact the Economics and Statistics Department to know that what they said was that they contacted the public insurance companies for their information. I was unable to get any kind of assistance with this from the Government Departments. They said to me that if the insurance companies provided them with the information then they would be able to provide me with the information. I am saying that the information is coming at this particular point from the insurance companies, and that they have an interest in providing information that will

cause particular types of decisions to be made where we could therefore call for a study.

It would still be interesting to not limit this study, but to allow it to take its full course and advise the House. The Government still has the possibility to make whatever decision it has to make. We are not asking Government to set up a public insurance company; we are asking it to conduct a study. I think it would prejudice the outcome of the study when we say this. It is assumed that there could be a feasible proposal here—this could work if Government insured families of civil servants and pensioners. But since we are doing the exercise rather than judging, we would like the Government to go a little bit further.

In speaking on this amendment, I do not want the Government Bench to feel that it is not doing its job. I voted with it, I have supported it, and I would like it to show me a certain amount of respect and gratitude by voting with my Motion as it was amended by me.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: I rise to offer my contribution on the amendment to Private Member's Motion No. 4/97 as proposed by the Honourable Minister for Education, Aviation and Planning.

The Fourth Elected Member for George Town mentioned semantics and a few other things. It was my concept that whatever the feasibility study suggested, it would start with the Civil Service and their families, indigents and pensioners for whom Government has direct responsibility at this stage.

The way I see this corporation (if deemed feasible to establish), is along the lines of how the Civil Service Credit Union evolved. I remember that initially the idea was to establish an entity that would directly and exclusively assist civil servants. That entity did a tremendous job in that respect. As it grew, it was decided to extend the opportunity to members' immediate families. That is the way it evolved over the years. Today we have a Credit Union boasting of several million dollars a year in income. It has been doing a tremendous job providing a service badly needed in this country.

Establishing a Credit Union did not put the commercial banks established in this country at a tremendous disadvantage. I think it has been proved that there was space for both types of entities to exist here and remain profitable. I think the same can be said about this concept of a publicly owned insurance company.

I believe that the amendment being proposed is a genuine attempt to allow us to arrive at the same position in that we at least have an entity owned by the people of this country for a specific purpose.

I mentioned in my contribution the Motion itself that I believe it makes financial sense for Government to look at the feasibility of providing an entity to cover its own obligations in regard to health insurance, that is, for civil servants, their families, pensioners and the other members of the public it is responsible for providing this service for. I see it starting in the manner proposed here and

eventually evolving to the extent that both the Fourth Elected Member for George Town and I see it evolving.

I believe that such an entity would act as a monitoring influence with regard to premiums. Government will probably not have to charge as much as the private sector as regards administrative expenses. They will be able to keep their premiums reasonable. I believe the mere fact that such an entity exists will keep the private insurance companies on their toes in regard to remaining competitive and being reasonable with their premiums.

I must congratulate the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation for the work he has done in arriving at a reasonable premium for the National Health Insurance Plan. I think it is about \$35 per individual. He must be commended along those lines. I am aware that this \$35 is only the start. Five years down the road it may not be the same, because as costs to provide that service increase, premiums will have to increase accordingly.

I believe that if the Government is in the business of providing the same service for the people, they can judge what is reasonable and what is not. At that stage, if it is deemed necessary, the Government can say (and we can bring back a resolution if we have to) the premiums of the private insurance companies are no longer reasonable and members of the general public can have the option of continuing their coverage with the private company, or becoming part of the Government's scheme. I believe if that decision becomes necessary, we legislators can see that that happens.

I think the proposal is a good one. I thank the Government for attempting to reach a reasonable compromise. At the end of the day the only thing I am concerned with is that it happens. If that means we need a compromise in order to ensure that, then I think it is a reasonable compromise.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: In rising to speak on this amendment there are a few points that I wish to make.

First of all, it bears some emphasis to say that the effort to have the Government consider the substantive Motion is, in my estimation, an effort borne out of genuine sincerity and concern for the best, most comprehensive approach so that our people will be the ultimate beneficiaries. I would also like to remark that there is some evidence to suggest that the effort by the Honourable Minister with his amendment seems to be borne out of genuine sincerity to reach as widespread and comprehensive a settlement as possible. Therefore, I am compelled to say that there is so much overlap in the two efforts, that if we examine them closely we will see that the similarities far outweigh the differences.

Regarding the amendment, one glaring fact I would like to bring to the attention of Honourable Members is that, while the Minister has made an attempt to be as comprehensive as possible by including civil servants, their families, indigents, pensioners and other persons for

whom Government has responsibility for medical expenses, he has still left out one category of people. Although civil servants, their families, indigents, pensioners and other persons for whom Government has responsibility is inclusive, there are still people who fall outside of this category whose numbers I argue are just as significant, if not more so.

What about the mass of people who labour outside of the Civil Service and do not fall within the parameters of the people here? I would like to think that, with all due respect to the categories listed here, the numbers excluded form the majority by a significant number. That is one shortcoming with the first paragraph in the Honourable Minister's amendment.

The second thing is that the Honourable Minister has conceded that Government already has the cost and details necessary for the carrying out of its own insurance. In exercises such as this, it would be literally impossible to use every individual case to extrapolate information. What is done in cases like this, is that empirical evidence is collected from samples of the population. If there is a corpus of knowledge already which can be gleaned from Government's own insuring of its civil servants, all that has to be done in many cases is to transpose that information to the wider sample.

Pollsters do not poll everyone in the population for an opinion, they pick a sample. From the information extrapolated from the sample polled, they apply that across the general population. I am saying that by his own admission the Minister has said that a corpus of knowledge exists. If we transpose that, the consideration which the original Motion asked for should be a simplified process to obtain by virtue of the fact that we extend that information to the country as a whole, or to wider groups.

It is important to recognise that no one is suggesting that the Government should have any monopoly on the provision of any service; or for the development of any such corporation offering these services. I want to say that I see the exercise, as does the Fourth Elected Member for George Town, as an exercise in reciprocity. I do not think anyone would be so unfair as to expect that the Government would have a monopoly, or expect the Government to be so all-encompassing on every occasion that it could bring legislation here that could not be improved upon, amended or even re-worked to a more comprehensive level.

It is not a question of partisan or adversarial politics; it is a question of what is best in the long run for the general populace of this country. The intention of the Backbench in this case is as pure and complimentary and sincere as that of the Government. I hope that Government understands. I cannot put it any more succinctly than did the Fourth Elected Member for George Town who suggested that were his intention other than honourable he would not have chosen as the seconder the person he did.

That being the case, I cannot see why it was necessary for the Government to move this amendment—unless, of course, the Government wishes to test the debating skills of the Backbench Members. It is a question

of knowledge and sounding of public opinion. I believe that persons who sit on the Backbench are, by virtue of the fact that their responsibilities of office are not as formal as the Government Ministers, eminently equipped to offer the kind of suggestion offered in this Motion. They are eminently equipped to understand and articulate that the amendment brought by the Government Minister, with all its sincerity, still falls short of what our people expect; and would still fall short of the type of coverage we advocate by virtue of the fact that we are able to move around, to speak with and hear the concerns, complaints and constraints members of the public face. I appeal to the Government to bear this into consideration when arriving at a position of accepting or rejecting these things.

Let me say that our system can work very well if the Government would accept that the level of intelligence and energy on the Backbench could be used as a vehicle to help it improve and implement policies which are comprehensive and in the best interest of the country. It seems to me that in a circumstance such as this the Government would be well advised to take into consideration the efforts and opinions of the Backbench in an attempt to arrive at the best available policy for the people.

It has been the question of big boy versus little boy for too long—with Government seeing itself as the 'big boy,' and the Backbench as the 'little boy.' Government feels that it does not have to take our opinion because it is elevated; it only sees us four times a year and it does not regard our position worthy of being listened to. This is an exercise in democracy, and for it to be successful it means sometimes that we are right and the Government should listen—just as we sometimes have to listen to them.

As gracious as I am to receive this amendment (and I compliment the Minister for his efforts), it still falls short of what would be in the best interest of the people. While I compliment him on his attempt to be accommodating, it falls short of my expectations. I cannot in good faith support it.

I want to say that it is a test today to see if the Government is sufficiently accommodating, sufficiently porous, sufficiently true as to be persuaded by the logical arguments laid down by the Fourth Elected Member for George Town. It is a test to see whether the Government holds the respect for the Backbench Members of this Honourable House they claim to hold, when the situation is convenient to make such pronouncements. It is a test for the Government to see if they respect the opinion of their own Backbench which has seen the wisdom, logic and necessity to support the substantive Motion brought by the Fourth Elected Member for George Town.

Perhaps it bears repetition: If the intentions and motives were not pure, and mischief were the intent, or adversarial politics, or political mileage, then the Fourth Elected Member for George Town could have had available to him other persons who would have seconded the Motion.

When I saw who seconded this Motion, I realised the sincerity right away. The Honourable Member did not

come to me. He knew that if he did it would get shot down, however pure his motives were. I was not offended. I complimented him on his wisdom, being here such a short time, in understanding the dynamics and politics of the situation, and therefore avoiding me like the plague.

I hope that the Government will soften its heart and understand that we appreciate the attempt being made with the amendment (speaking for myself), and understand the purity of the motive. But I am disappointed because it falls short of what I would have expected it to be. Let the substantive Motion which was so brilliantly argued by the Mover and those who spoke on it take its rightful place in the annals of legislation, requests and motions in this country.

The Speaker: Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 11.30 AM

PROCEEDINGS RESUMED AT 12.09 PM

The Speaker: Please be seated. Proceedings are resumed. Does any other Member wish to speak? (pause)

Does the Honourable Minister wish to exercise his right of reply?

The Honourable Minister responsible for Education, Aviation and Planning.

Hon. Truman M. Boddien: I would like to thank the Members who spoke. I guess in everything in life there is give and take and compromises, and I would hope that all Members will find it convenient, and will within their own minds feel that they can support the amendment, in which case things will move forward. I believe we will achieve what both speakers in opposite terms propose to achieve.

Mr. Speaker: The question is that the amendment to Private Member's Motion No. 4/97 do pass. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. AMENDMENT TO PRIVATE MEMBER'S MOTION NO. 4/97 PASSED.

Mr. Speaker: Does any other Member wish to debate the original Motion? (pause)

Would the mover wish to reply?

WITHDRAWAL OF AMENDMENT TO MOTION

Standing Order 25(6)

Dr. Frank S. McField: Thank you, Mr. Speaker.

In replying I would like to ask the leave of the House to withdraw the original amendment I made and which

was circulated, and that the substantive Motion stand as it was originally moved in the House. So I will read the Motion.

“Actuarial Study for the Establishment of a Public owned Health Insurance Corporation

“WHEREAS the Government of the Cayman Islands has passed legislation requiring all persons to have health insurance;

“BE IT NOW THEREFORE RESOLVED THAT the Government consider contracting the services of an internationally recognised actuarial firm to:

- "1) investigate the feasibility of the Government establishing a public owned corporation to provide health insurance;**
- "2) determine what the premium should be for the health insurance package specified by the Law;**
- "3) recommend the organisational and managerial structure for the public health insurance corporation;**

“AND BE IT FURTHER RESOLVED THAT such reports, as produced by the actuarial firm, be laid on the Table of this Honourable House with the decision of the Government on the matter.”

Mr. Speaker: The question is that under Standing Order 25(6), the notice of amendment as circulated, proposed by the Fourth Elected Member for George Town and seconded by the Third Elected Member for West Bay, be withdrawn. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it. The amendment is withdrawn.

AGREED. NOTICE OF AMENDMENT TO PRIVATE MEMBER'S MOTION NO. 4/97 WITHDRAWN.

The Speaker: The Fourth Elected Member for George Town.

CONTINUATION OF DEBATE ON PRIVATE MEMBER'S MOTION NO. 4/97

Dr. Frank S. McField: It is with a special feeling of accomplishment that I rise to conclude this debate. I would like to just take an opportunity, briefly, to say that perhaps my style of debate is slightly different from many Members in that I always attempt to give background to points I am trying to make. Really, I would say that this has a lot to do with the type discipline that I am part of—I am not just a sociologist, but I also have a kind of social history

background. I feel that to look at any questions, one needs to look at the history of the question or the history of the predicament that one is examining. Everything has to, therefore, be looked at within a particular context and should not be isolated.

It was with this type of position in mind that I brought the Motion. I asked the Government to consider a study because I felt. . . and until we started to debate the Health Insurance legislation, I had no idea this would be a Motion that I would bring before the House, or a Motion that would even be feasible—the possibility of Government establishing its own Health Insurance Corporation. So, I cannot fault anybody for not having made the consideration that I made. As I said, up until the point we were discussing the Health Insurance legislation, it was not a consideration that I myself had made.

I assure Members that I did everything possible to at least come to this House with an informed position based upon data. It is unfortunate that there is such a monopoly on information in this country where even Members of the Legislative Assembly find it difficult to have information available to them. It is not only the Government that finds it difficult to find data which might be necessary to make certain types of decisions. We on the Backbench also have a very difficult time getting information. So, we are always starting at a disadvantage. I like for my decisions not to be based upon my opinions and feelings, but to be based upon information.

I tried to get assistance, as I said, in regard to this particular Motion, but was unable to get the information. Nevertheless, it was a Motion that could be developed without the availability of this information. Common sense should tell us that it would be possible for Government to establish a publicly owned insurance corporation that would at least insure Members of the Government, their families, indigents, and so on.

It is important to realise that this Motion comes from the Backbench. It is important to realise that this Motion was moved by me, an independent Member of this Legislative Assembly, in an attempt to demonstrate that if we work collectively we will accomplish. But, if we continue to sabotage the efforts of individual Members and to break the principle of collective responsibility—not between the Executive Council Members, but between us here in this Parliament. . . . We all have a collective responsibility to the people of these Islands to make sure that we have left no stone unturned in our quest to see that we are giving them the best kind of representation; that our decisions are based upon information and not upon individual prejudices with regard to who should own this and who should control that.

I must say that I am not satisfied at this particular time that the Government and the Honourable Minister responsible did go far enough in terms of showing us what types of alternatives might exist. Therefore, in bringing this Motion (especially at this particular time) I think it is important that I say the amendment which was made somehow comes at a late date; somehow does not satisfy me that the Government is taking the total position that it should be taking; because the Government did

come with the excuse that there was no data here, and no data there.

Mr. Speaker, I am happy with the results. Somehow we have gotten part of what we should have had. It is said that 50 per cent of a company is better than no per cent of a company. I will be satisfied with 50 per cent of the company, but I would like to see that this Motion does not wind up someplace where they say, "Well, we will do it in two years"; because the Government has admitted, in taking up the responsibility for the Motion—in amending the Motion in such a way—that it would be acceptable. The Government has accepted responsibility for the Motion by accepting that the Motion has the merits, that this exercise should be done, and that this exercise should have been done.

It will not hold up Health Insurance legislation, because that has already passed. The Regulations will be coming in soon. This Motion calls for a separate study, and it is important that the study be done as soon as possible so that the Government, when it is compelled by Law to make sure that its Members are insured and the families of its workers are insured, that the Government can at least make a decision, since we have been debating this Motion based upon the idea that we know that it is a good decision.

We know that it is a good decision. We know it is feasible. We have pre-judged the outcome of the research. In the amendment we have projected that what will happen at the end of the day is that it will be seen as feasible and prudent for the Government to establish its own health insurance company.

Now, I would like to say that this is not national health. We are not calling for a national health scheme, and I hope that they bear that in mind. The general public will realise that all Government will be doing is saying that Government is an employer, and Government, because of the Law, will now have to insure its workers and the families of its workers with a privately owned insurance company.

That insurance company, if it were able to get 5,000 people to come into it, would basically become rich overnight. The Law has created the possibility, for one or two insurance companies—even if we spread it out among the six, the money that they would collect. . . . And what is it based upon? That one day the risk, the disaster, will come and we will have so many sick people and they will have to pay out—and if it were Government doing it they would go broke; but these insurance companies because they have spread their risk out over a wider geographical area, will not go broke. It is the same thing as having faith and confidence in other people and in not having faith and confidence in yourself. Somehow, one has to be big enough to put on one's own shoes.

Everybody knows from the very beginning without a study that this is a good idea—at least when it comes to Government providing a health insurance corporation to cover its own workers, their families, pensioners and indigents, as the amendment to the Motion suggests.

Since that is the amendment to the Motion, Mr. Speaker, in conclusion I am asking the Government to go

ahead and see that this study is contracted as early as possible; that we have results as early as possible. Our collective admittance is that it seems to be a very feasible and good idea. We should not wait until health legislation becomes mandatory a year from today before we make a decision as to how Government will insure its workers, their families, the indigents and others.

I have asked, of course. . . and I hope that the Honourable Minister responsible for Education, Aviation and Planning, will remember that he did say there will be more reports—that the study will not just be one final report, but that there will be preliminary reports and that he could extend it to also look into if it might be feasible for others to participate in this particular scheme.

I realise that there is a risk here. I realise that if we have six insurance companies active here, they will feel that Government is not looking out for their best interest if Government will now have access to 6,000 people that they might have had access to. But Government must look out for the interests of the people—the majority—and not the interest of the insurance companies.

I understand and accept that Government is doing its job, because the Honourable Ministers, especially the Honourable Minister for Health, have shown us that this is what they intend to do. They intend to uncover the rest of the stone. It is also possible that we will get a lot of flak from the insurance companies because of what we are desiring to do. Nevertheless, until a study is concluded, Government has not made any commitment because it would have to come back here with a separate decision in regard to that.

It is already believed that six health insurance companies being active on these Islands would reach a saturation point. So, to get another insurance company in these Islands might cause concern to some of the insurance companies. Therefore, we can see their concern about Government moving into this field. But, we have to abide by the principle that the reinvention of Government means that Government must have a different approach to spending money. We should not spend more money, we should spend less money. We should shop around, just like any good citizen in a free-market economy.

The Government, if it can save money, should save money by creating schemes that would allow it to. But the reinvention of Government does not necessarily mean that Government has to get smaller, that it has to get to the point where the only thing it controls is the violence of the state; control the Prisons and the Police Departments. That is not all what Government is here for. Nobody would advocate getting rid of Government because if we got rid of Government how would people be able to secure their persons and their property? The supreme concept of the social contract is security. But, security comes from more than the Government monopolising upon the instrument of violence.

Security also comes from Government creating policies that will maintain social harmony and balance in our society. My point is that in a society developing as rapidly as this one—if we look at the letter, for instance, that was written in the paper by Capt. Charles Kirkconnell—we

see that the capital which is necessary for Caymanians to become involved in the private sector is more, and more, and more.

We hear the complaints from the little boat people. We hear the complaints from a lot of people. So, it is not that Government can now sit back and legislate and say that this is the way that the economy should go. Government can only continue to have Caymanian participation by itself participating in certain areas. So, I do not understand how the concept can be forwarded in this country that Government should not become involved in this and that, because someone we talked to from another country said that it failed there.

I have probably spent as much time abroad as anyone here. I know that no country has solved its problems in the past, in the present, or will solve them in the future. Everybody is juggling, weighing, and trying to keep things going. It is a balancing act as we go along. We are not asking the people to take up a fixed position with regard to Government's involvement in anything. We are asking for flexibility so that we can do what is good for the people, because they are ultimately what cause us to be good or bad. If the people benefit, the Government is good. If the people do not benefit, the Government is bad, regardless of what principles the Government believes in. I think it is important that we remember that.

So, we are not attacking private enterprise. We are not attacking the insurance companies. We are trying to provide a package for the Caymanian people that will at least—even if it is just the 5,000 to 6,000 people associated with the Civil Service—keep them away from some of the harsh burdens that will come from having to pay insurance premiums.

For example, let us say that the Honourable Minister for Health is right in saying that some previous actuarial study proved that an old person would pay \$178 per month, and that a healthy, young person would pay \$45. Now, with this system of guesswork they would be paying \$35. We could believe that. We could go to sleep, but the next day we will awaken and know that could not be true.

We know that somehow health insurance burdens will not be any less in Cayman than they are in any place else in the world, because technology is growing, and as a result of the growth, the medical technology expense goes up. Medical expectations go up. People want treatment today that they did not demand yesterday. The cost of medicine is going up, regardless of whether or not we are insured. Government will have to find more money because of the increase in technology, the increase in medical care and our awareness of our health. So, the cost and premium will go up because people will be checking in with their doctors. People will be getting worked on because of technology. People are attempting to find a cure for AIDS and cancer, and all these things and will cause the prices to go up.

When the insurance companies get hit with these bills because of the high expectations of the participants in these programmes, what will those insurance companies do? We do not want to guess about that. We do not want to say that they will be negative, but we want to give

the people a degree of security, which is part of our primary purpose in being a government—to keep order, and giving security. To accomplish that it would be wise at this particular stage to do exactly what we have decided to do, which is to look into the possibilities.

Again, Mr. Speaker, I must credit you, as well, in helping us to arrive at this wonderful compromise. Although I could say that I would have been happier if we had gone the full mile, I still have enough belief and confidence in the Honourable Minister for Education, Aviation and Planning, to know that the exercise will not stop here if it should go further.

I am very happy that this has happened. I would like to conclude by saying that this is my first Motion, and although my substantive Motion is not what will probably be accepted here (since the amendments have already been voted upon) I am convinced that the approach I have taken up, the approach of us not being aligned to anyone but the people, is the correct approach.

I would like to compliment the Third Elected Member for West Bay for his courage and his trust in me in seconding the Motion, because had he perhaps been a more suspicious person he might have said, *'Well, Frank McField is just going to try to cause some problems,'* or, *'It might be a good Motion, but what if he tries to misuse it?'* He has a side, too, that he would like to see supported and he would like his side not to be discredited.

I hope that what I have done in here has been a credit to him and his side as well as to the other Members of the Backbench—including the Third Elected Member for Bodden Town, who I think has supported this Motion and given a degree of clarity to my intention that I was not capable of giving at the time I began talking about this Motion.

I think that this is a triumphant day for the Parliament of the Cayman Islands and for the people of the Cayman Islands. We have gone back to the old days of listening to one another. We have moved from this Chamber to the common room and to the prayer room, and at the end of the day I think that history will prove that the Members of this Parliament made the right decision to give the people of the Cayman Islands the choice to have an alternative to privately owned insurance—not that they have made a decision that this should be, but at least that it should be looked into. I do not think that the people of these Islands can expect any more from the Members of the Legislative Assembly but that we give attention to their concerns.

Mr. Speaker, the Motion was genuinely brought to this Parliament because of rumours and concerns that I had heard from the grass-root people about their inability to absorb these payments.

Again, I believe that we are on the right foot. The papers have written about it. The Honourable Minister of Health commented about the kind of spirit we have had in this Parliament. I hope that the Honourable Minister for Health realises that no attempt has been made to say that he has not done his job. The attempt has been made to assist him in doing his job as best he can with the assistance of the people who elected to support him in accomplishing what it is that they would like him to do.

Mr. Speaker, I shall sit down in the spirit of co-operation. Again, I would like to compliment the Members of the National Team and the National Team Government and the National Team Backbench for the support which they have given this Motion.

Again, I would like to mention in particular the Third Elected Member for Bodden Town for giving clarity to this, and I would also like to thank my other two colleagues for George Town. Regardless of what people may think, I think it is important that they realise that this is at least a beginning. We have worked together. The four Elected Members for George Town, in particular, have worked together to make this possible.

Thank you very much.

Mr. Speaker: I shall now put the question on Private Member's Motion No. 4/97, as amended. For clarity I shall read it as amended.

**“AMENDED PRIVATE MEMBER’S MOTION NO. 4/97
ACTUARIAL STUDY FOR THE ESTABLISHMENT OF
A PUBLIC OWNED HEALTH INSURANCE
CORPORATION**

“WHEREAS the Government of the Cayman Islands has passed legislation requiring all persons to have health insurance;

“BE IT NOW THEREFORE RESOLVED THAT the Government consider contracting the services of an internationally recognised actuarial firm to:

"1) investigate the feasibility of the Government establishing a public owned corporation to provide health insurance for Civil Servants, their families, indigents, pensioners and other persons for whom Government has responsibility for medical expenses;

"2) determine what the premium should be for the health insurance package specified by the Law for such corporation

"3) recommend the organisational and managerial structure for the public health insurance corporation;

“AND BE IT FURTHER RESOLVED THAT such reports, as produced by the actuarial firm, be laid on the Table of this Honourable House with the decision of the Government on the matter.”

I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: PRIVATE MEMBER’S MOTION NO. 4/97, AS AMENDED, PASSED.

The Speaker: Would Member's like to take the luncheon suspension before proceeding with other business? Proceedings are suspended until 2.30 PM.

AT 12.39 PM PROCEEDINGS WERE SUSPENDED

PROCEEDINGS RESUMED AT 2.43 PM

The Speaker: Please be seated. Proceedings are resumed.

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

MOTHER TERESA OF CALCUTTA

The Speaker: Honourable Members, during the luncheon break we received information that Mother Teresa has passed away. On behalf of this Honourable House I would like to express condolences to her Order and to the world on the death of this great humanitarian. She has done wonders, and she will be sadly missed throughout the world.

Item number 4, Government Business - Bills, Second Reading. The Honourable Minister responsible for Agriculture, Environment, Communications and Works .

GOVERNMENT BUSINESS

BILLS

SECOND READINGS

THE PLANTS BILL, 1997

**MOTION TO DEFER FURTHER READINGS
OF THE BILL**

Hon John B McLean: Mr. Speaker, a few days ago we had the First Reading of the Plants Bill, 1997, and I mentioned to the Honourable House that there were several Members who had concern about a few clauses of the Bill. It has been agreed that we will have a section drafted as soon as possible, so I seek the indulgence of the Chair to have this Bill laid over until the next Meeting of the House.

The Speaker: The question is that under Standing Order 58, the Plants Bill, 1997, be withdrawn. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.
AGREED. THE PLANTS BILL, 1997, WITHDRAWN.

Hon. John B. McLean: Excuse me, Mr. Speaker. I do not think we need to withdraw the Bill, sir. What I would strongly suggest is that, since we have had the First Reading of the Bill, we just defer it until the next Meeting of the House.

Mr. Speaker: As the Honourable Minister said we will reverse that motion and move a motion that it be deferred until the next Meeting of the House. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. THE PLANTS BILL, 1997, DEFERRED UNTIL THE NEXT MEETING OF THE HOUSE.

Mr. Speaker: The next item is Government Motions. The Honourable Minister responsible for Health Drug Abuse Prevention and Rehabilitation.

MOTIONS

GOVERNMENT MOTION NO. 10/97

HEALTH INSURANCE REGULATIONS, 1997

Hon. Anthony Eden: Thank you, Mr. Speaker. I beg to move Government Motion No. 10/97 which reads:

“WHEREAS the Health Insurance Bill 1997 was passed by the Legislative Assembly on the 19th day of June, 1997;

“BE IT THEREFORE RESOLVED THAT the said Regulations, now being laid on the Table of this Honourable House, be hereby approved in accordance with the provisions of section 19 of the Health Insurance Law, 1997.”

Mr. Speaker: The Motion has been duly moved and is open for debate. Does the Honourable Minister wish to speak to it?

Hon. Anthony Eden: Thank you, Mr. Speaker. I just wish to draw to the attention of this Honourable House that the Health Insurance Regulations, 1997, which are now being laid on the Table, are the same as the Regulations which were Tabled in the Legislative Assembly on the 18th June this year, with the exception of an amendment which has been brought about as a result of representations made to my Ministry.

The amendment relates to Part 3 of Schedule 1. The amendment is as follows:

(a) by the insertion of the following new paragraph after paragraph 21, new paragraph 22:

“22. Treatment, medicine or other supply which is experimental.”; and

(b) the deletion of sub-paragraph (ii) in the definition of “experimental”, and the substitution of the following:

“(ii) in relation to medicine or other supply means medicine or other supply which is not included in the British National Formulae or the Physician’s Desk reference unless it has been approved for use in the Islands by the Chief Medical Officer;”.

Mr. Speaker, the effect of such a change is to enable the insured person, with the approval of the Chief Medical Officer, to make a claim for benefits provided under a standard health insurance contract with respect to medicine or other supply approved for use by the authorities in the United Kingdom, or the United States of America, but still awaiting the next update of the British National Formula or the Physician’s Desk Reference mentioned in Part 3 of Schedule 1, sub-paragraph (ii).

I would just like to urge Honourable Members to give the Health Insurance Regulations, 1997, their full support.

Thank you.

Mr. Speaker: Does any Member wish to speak to the Motion? The Fourth Elected Member for George Town.

Dr. Frank McField: Mr. Speaker, I would certainly like to endorse these Regulations since the Law has already been passed. But I would ask if the Honourable Minister could at least say what will be done in regard to Members of the Legislative Assembly since section 20 of the Regulations says: **“The Government may, in respect of each employee and his dependants in the following categories, effect, with an approved provider, a health insurance contract which shall provide benefits not less than those provided by the Government in accordance with Chapter 18 of the General Orders prior to the commencement of the Law.”**

My concern is over who is responsible for Members of the Legislative Assembly. Are the Members of the Legislative Assembly employed? Who are they employed by? Who would the employer be? What would the Law do in this specific case? Would the Law say (and I will use myself as an example, if I am permitted to do so) that the Fourth Elected Member for George Town, who is a full-time Member of the Legislative Assembly, has no job, and therefore has no employer?

[Inaudible interjection]

Dr. Frank McField: Well, that is your problem. I have one. I know because I go to my office every morning at 8.30 and leave there sometimes later than 5.30 in the evening. So I do work for somebody, and it is not for a ghost.

[Inaudible interjection]

Dr. Frank McField: That is right.

So, I would like to know what the position of the Law would be, for instance, if I did not go out and get a private health insurance myself. Would they come and hold the Government responsible for the fact that I do not have any insurance? Because in cases when people working with the Kirkconnell's, or others, do not have any insurance, they will hold those people responsible.

So, I do not think the situation is any different here, and I am hoping that it is just an oversight. I think that it is something that we could go on to ignore because of the possible public debate on this as to whether or not Members of the Legislative Assembly should have health insurance.

I think I would like to know what the position would be because I, at this particular point, do not feel that I should be privately insured. I think my employer, as the Law states, should be responsible for seeing that I comply in the first instance with these Regulations.

Mr. Speaker: Is it the intention of the Honourable Minister to lay a copy of the Regulations on the Table?

Hon. Anthony Eden: Yes, Mr. Speaker, I did lay a copy.

Mr. Speaker: So ordered.

Mr. Speaker: Does any other Member wish to speak?

I would like to remind the House that it is being asked to approve the Motion before the House. The Regulations are made by Executive Council and the House is asked to give an affirmative or negative vote to the Motion.

The Third Elected Member for Boddin Town.

Mr. Roy Boddin: Mr. Speaker, in another forum I alluded about some concerns I have with these Regulations, and, of course, I had my opportunity to offer input in regard to the Law when that came to the Legislative Assembly. I continue to have some reservations about these Regulations. I have extreme difficulty in accepting some of the prescribed health care benefits as they have been laid out in the Schedule.

For one thing, I have some problems when it comes to accepting the limit of \$100 each calendar year for outpatient benefits as laid out in Part 2. I do not know if there will be any inclination to make adjustments down line, but I, for one, will be attuned to feed-back from my constituents in regard to these Regulations and the Law.

While I am prepared to give the Honourable Minister every vehicle, and to offer no impediment in his attempt to get this mechanism working, I also put the Honourable Minister on notice that if there are any reasonable discrepancies or burdens upon my constituents, I certainly will be petitioning for adjustments to be made. I would hope that the Honourable Minister remains sympathetic and that he would give the commitment that his Ministry

would be so inclined to listen and to undertake any necessary adjustments.

I think that in the spirit of what has transpired it is reasonable to allow the Regulations and the Law to come into place, but, at the same time, to advise the Honourable Minister that this is a new vehicle and new instrument and that I certainly reserve the right to make the necessary criticism, and petition him for changes where they may be deemed appropriate.

Having said that, Mr. Speaker, I undertake to do my best to promote an understanding and acceptance of these instruments, and hope that we can get some kind of system which is workable and acceptable, my reservations notwithstanding.

Mr. Speaker: Does any other Member wish to speak?

If no other Member wishes to speak, does the Honourable Minister wish to exercise his right of reply?

Hon. Anthony Eden: I want to thank those two Members who commented on the actual Regulations.

In reference to section 20, which the Fourth Elected Member for George Town spoke on, my memory was that up until 1993 Members of the Legislative Assembly were actually covered by Government. My understanding now is that the coverage extends to Members of the Legislative Assembly only upon their retirement. However, I will give the undertaking to the Member that I will sit down with him and go over this section to see how this can best be addressed for active Members.

In reference to the Third Elected Member for Boddin Town, the reasoning behind the \$100 per calendar year was an attempt also to keep the premium down. As most Members of this Honourable House know, this is probably the first time in a long time that Regulations passed by affirmative resolution have been brought to this House, which means that amendments will be made in Executive Council, but before being finalised would have to be brought back here so the Members would be involved.

Our attempt, as I said on many occasions, is that we need to get this up and running. It is going to be a learning experience for us all as we fine-tune and keep going. I think that all of us, as was demonstrated earlier in the day, are trying to do what is best for our people and this will come out in the long run. I look forward to that support and the continued input from all Members of this Honourable House in such a very important piece of legislation.

Thank you.

Mr. Speaker: The question is that Government Motion No. 10/97 which contains the Regulations now laid on the Table of this Honourable House be approved. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. GOVERNMENT MOTION NO. 10/97 PASSED.

Mr. Speaker: That concludes all business on the Order Paper for the day. I will entertain a motion for the adjournment of this Honourable House.

ADJOURNMENT

Hon. Thomas C. Jefferson: Mr. Speaker, I move the adjournment of this Honourable House until 31st October, 1997 at 10 o'clock in the morning.

The Speaker: Before I put the question on the adjournment, I would like to thank all Honourable Members for their courtesies and tolerance to the Chair, and for the unusually co-operative spirit which has existed during this meeting. We are all very grateful for that.

I would like to thank the Clerk, the Deputy Clerk, the office staff, the Hansard officers, the Serjeant-at-Arms and also Anita for the services they have rendered to us, and the very efficient way in which they have performed their duties. This concludes our deliberations and I wish you all the very best as we adjourn.

The question is that the House do now adjourn until at 10.00 AM, 31st October, 1997. I shall put the question. Those in favour please say Aye... Those against No.

AYES.

The Speaker: The Ayes have it. The House is accordingly adjourned.

AT 3.03 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM FRIDAY, 31ST OCTOBER, 1997.

**EDITED
WEDNESDAY
5TH NOVEMBER, 1997
10.08 AM**

The Speaker: Prayers by the Honourable Minister for Education, Aviation and Planning.

PRAYERS

Hon. Truman M. Bodden: Let us pray.

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

Bless our Sovereign Lady Queen Elizabeth II, the Queen Mother, Philip Duke of Edinburgh, Charles Prince of Wales, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

Let us say the Lord's Prayer together: Our Father who art in Heaven, Hallowed be Thy Name. Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread, and forgive us our trespasses, as we forgive those who trespass against us; 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.

The Speaker: Please be seated. The Legislative Assembly is in Session.

**ELECTION OF MINISTER
FOR EXECUTIVE COUNCIL**

APPOINTMENT OF SCRUTINEERS

The Speaker: Item number 2, The Election of one Member to Executive Council. The procedure for this item is laid down under section 5 of the Constitution and under Standing Order 5 of the Orders of this House which govern the proceedings. The Chair proposes, subject to there being no objections from Members, to appoint the First Official Member and the Third Official Member to act as Scrutineers if a ballot is required.

I now put the question that the Honourable First and Third Official Members be appointed Scrutineers for the election. Those in favour please say Aye. Those against No.

AYES.

The Speaker: The Ayes have it. The Honourable First and Third Official Members are appointed Scrutineers for the election.

**AGREED: THE HONOURABLE FIRST AND THIRD
OFFICIAL MEMBERS APPOINTED SCRUTINEERS
FOR THE BALLOT COUNT.**

The Speaker: Before I call for nominations to the Executive Council, I crave the indulgence of members of the public gallery.

I am aware that there has been some concern in the community within recent weeks, and the result of this election is eagerly awaited. But I must ask that everyone refrain from any comments, sounds or other expressions of jubilation or disappointment.

This is a very serious matter, and the process can be more fluid if members of the general public desist from any manner of audible expression. I can assure you that at the appropriate time an opportunity will be given for you to manifest your agreement.

I shall now call for nomination to the Executive Council by voice. Each nomination will require a mover and a seconder. I should say at this time that we are electing one Member only to Executive Council. I should also say that the names of Honourable Members nominated will be used. Usually in this Honourable House you are referred to by districts, i.e., the First Elected Member for George Town, or the Third Elected Member for Bodden Town. For clarity, today we will refer to Members by name. This will avoid any misunderstanding by the general public.

We are now open for Nominations to the Executive Council. Again, I remind you that we are nominating one Member.

The First Elected Member for West Bay.

NOMINATIONS AND BALLOTS (Standing Order 5)

Mr. W. McKeeva Bush : Mr. Speaker, I rise to nominate Mrs. Julianna O'Connor-Connolly for the vacancy in Executive Council.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Mr. Speaker, I rise to second that nomination.

The Speaker: The nomination of Mrs. Julianna O'Connor-Connolly has been duly moved and seconded. Are there any other nominations?

(Pause)

The Speaker: Are there no further nominations?

(Pause)

The Speaker: I shall now ask the Honourable First and Third Official Members to take their place at the Clerk's Table. We will then distribute the ballots to all Members.

Mr. W. McKeever Bush : Mr. Speaker, on a matter of order, if there is only one nomination, do we still need to take a ballot?

Hon. Truman M. Bodden: Mr. Speaker, if I may have the privilege of addressing you briefly. . .

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Just to point out that the Standing Orders do not provide for an acclamation and I believe that it is the safest course to merely run quickly through the procedure to ensure that there can be no question. However, I would say that there is a Standing Orders Committee and I believe that this has to be addressed in the new Standing Order 5.

The Speaker: Thank you.

Mrs. Julianna O'Connor-Connolly, will you accept the nomination?

Mrs. Julianna O'Connor-Connolly: Thank you, Mr. Speaker. Indeed, it is my honour and privilege to accept the said nomination.

The Speaker: At this time we will suspend while the Ballot Papers are prepared, and then we will take a secret ballot.

PROCEEDINGS SUSPENDED AT 10.20 AM

PROCEEDINGS RESUMED AT 10.25 AM

The Speaker: Please be seated. Proceedings are resumed.

I will now ask the Honourable First and Third Official Members to take their place at the Clerk's Table.

I will now say a few words about the procedure. I think I am right in saying that there has only been one person nominated. The procedure for this election is that (and this I am saying for the benefit of the public) the Standing Orders decide or declare that we shall have a ballot. Members will vote by secret ballot, and the Clerk is

handing out the name of the one who has been nominated and seconded.

Under the present Constitution there are five Members in Executive Council, and we have one vacant seat. You will vote for only one Member. You should not sign your paper. There should be no mark other than the 'X' on your papers. Your papers should not be identifiable. I am suggesting that perhaps you may fold the paper so that it will remain a secret ballot.

The Serjeant will then return the box to the Clerk in front of the two Scrutineers. The Clerk and the two Scrutineers will count the number of votes. They will then pass the list to the Chair for reading out. The results will be read by the Presiding Officer, then the candidate will be declared duly elected.

This is how I plan to carry out the proceedings, and I ask that the gallery remain as quiet as possible.

Mr. Roy Bodden: Mr. Speaker.

The Speaker: The Third Elected Member for Bodden Town.

MOTION TO CLOSE NOMINATIONS

Mr. Roy Bodden: Mr. Speaker, in our enthusiasm to stack the deck, it seems that we have forgotten to close the nominations. I so move, sir.

The Speaker: I did ask if there were any further nominations, but if that is necessary, the nominations are now closed. Is there a seconder?

Mr. D. Kurt Tibbetts: I second the motion that the nominations be closed.

The Speaker: The motion was made by the Third Elected Member for Bodden Town and seconded by the First Elected Member for George Town. I shall put the question. Those in favour please say Aye. Those against No.

AYES.

The Speaker: The Ayes have it.

Will the Serjeant please distribute the ballots?

BALLOT PAPERS

The Speaker: If all Members have now completed their vote, I would ask the Serjeant to collect them in the box. Please fold your papers small enough so that they fit easily into the Ballot Box.

Will the Scrutineers begin the count?

Hon. James M. Ryan: (The Honourable Member read out the result of each Ballot Paper.)

The Speaker: The Scrutineers may take their seats.

BALLOT RESULTS

The Speaker: Mrs. Julianna O'Connor-Connolly: 8 votes, 5 blank votes.

The Speaker: I therefore declare Mrs. Julianna O'Connor-Connolly elected to Executive Council. Please take your seat on the Government Bench. I must say that it is the choice of the Members of Executive Council to seat themselves however they choose. We have no prescribed seating.

(Applause)

The Speaker: I take this opportunity to congratulate Mrs. O'Connor-Connolly on her appointment.

The next item is Presentation of Papers and Reports: Draft Estimates of Revenue and Expenditure of the Cayman Islands Government for the Year 1998. The Honourable Third Official Member responsible for Finance and Economic Development.

PRESENTATION OF PAPERS AND REPORTS

THE DRAFT ESTIMATES OF REVENUE AND EXPENDITURE OF THE CAYMAN ISLANDS GOVERNMENT FOR THE YEAR 1998

Hon. George A. McCarthy Mr. Speaker, I beg to lay on the Table of this Honourable House The Draft Estimates of Revenue and Expenditure of the Cayman Islands Government for the Year Ending 31 December, 1998.

The Speaker: So ordered.

Item Number 3, Government Business, Bills, First Reading. The Appropriation Bill (1998) Bill, 1997.

GOVERNMENT BUSINESS

BILLS

FIRST READING

THE APPROPRIATION (1998) BILL, 1997

The Clerk: The Appropriation Bill (1998) Bill, 1997.

The Speaker: The Bill is deemed to have been read a first time and set down for Second Reading. Second Reading.

SECOND READING

THE APPROPRIATION (1998) BILL, 1997

The Clerk: The Appropriation (1998) Bill, 1997

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I beg to move the second reading of The Appropriation (1998) Bill, 1997.

(10.38 AM)

BUDGET ADDRESS 1997 DELIVERED BY THE HON. GEORGE A. MCCARTHY, OBE, JP, FINANCIAL SECRETARY

Mr. Speaker, in the last Budget Address presented just over seven months ago, several initiatives were highlighted aimed at advancing the economic and social well-being of the people of the Cayman Islands. Some of the major ones included the setting up of the Cayman Islands Stock Exchange; the creation of a Monetary Authority; reviews of financial legislation; and incentives for the development of Cayman Brac. Also mentioned were regulations for the National Pension and Health Insurance programmes.

It is indeed a pleasure to report to this Honourable House, that the Cayman Islands Stock Exchange, which started operations just ten months ago, is making excellent progress. The Exchange has attracted some of the world's major hedge funds and debt arrangers, as well as leading members of the mutual fund industry. To date, there are 26 entities listed on the Exchange, mainly mutual funds with a diverse range of investments.

The mutual funds are managed mainly out of North and South America, and listing enquiries continue daily from as far away as Moscow and Hong Kong. Fund managers are attracted by the high standards of regulation maintained by the Exchange, together with its flexibility and understanding of the needs of the offshore industry's sophisticated investors.

Mr. Speaker, apart from the mutual fund industry, the Exchange is now targeting leading international finance houses who may wish to utilise its facilities for some of their more sophisticated trading strategies. It is also currently developing facilities to list and trade derivative financial instruments. Our long term aim, Mr. Speaker, is for the Cayman Islands Stock Exchange to become the Exchange of choice for the international financial community.

Turning to the Monetary Authority, Mr. Speaker, you will recall that one of the reasons for the establishment of the Cayman Islands Monetary Authority was to attract competent and highly-skilled staff. I am pleased, therefore, to report that three top positions have recently been filled by personnel of a very high calibre, one of whom is a Caymanian.

In May of this year, the Authority appointed a new Managing Director with extensive regulatory and supervisory experience in the financial sector—garnered both in public and private sector environments, and in diverse regions of the world ranging from North America (that is, Canada) to Africa and the Caribbean.

Mr. Speaker, this high-level appointment was followed by two others—the Head of Banking, Trusts and

Investment Services, and the Head of Policy and Research.

The Policy and Research Division is a new arm of the Monetary Authority and is headed by a Caymanian who has an in-depth understanding of the financial industry, having been with the regulatory regime since 1986. This division is responsible for the production of financial statistics, analysis of regulatory issues, and formulation of policies to guide the sector's overall development. It will work closely with the private sector and, from time to time, issue formal, written statements in areas requiring policy stances.

I would like to emphasise, Mr. Speaker, that the Monetary Authority has a very important regulatory role to play in the smooth functioning of the financial industry. In fact, in recent weeks, its role as custodian for the industry was highlighted when it took the hard but very necessary decision to recommend that Executive Council revoke the licences of Gulf Union Bank and First Cayman Bank.

It is indeed regrettable that such action had to be taken. But I can assure you that if this had not been done, the effects on the depositors and the Islands as a whole would have been far worse.

The Cayman Islands has worked long and hard to become one of the world's premier international financial centres. I am sure that none of us would like to see this position destroyed overnight. Investor confidence is central to the continuing success of our well-nurtured financial industry. If this is eroded, then there will be rippling effects throughout all sectors of the economy.

Not only would the financial industry suffer, but the vitally important tourism industry would also be seriously affected. With the twin pillars of the economy weakened, a series of economic and other problems would ensue, including high unemployment, flight of capital and a marked drop in the standard of living.

Government is aware that many persons are hurting as a result of the closure of First Cayman Bank and it is continuing to monitor the situation with a view to finding a solution. However, it is recognised that open dialogue with those affected is necessary in order to arrive at a meaningful solution. I am therefore pleased to report, Mr. Speaker, that on Friday 31st October, some Members of Executive Council held a meeting with representatives of the First Cayman Bank Depositors Committee and discussed a number of issues of concern to depositors.

Government has spent a great deal of time analysing the present situation and evaluating the various options available. One avenue which it intends to explore is the introduction of a Depositors' Insurance Scheme to help provide protection to depositors. It is likely that a Bill will be introduced at this meeting of the Legislative Assembly to introduce the Scheme.

Arising out of this issue, another important piece of legislation will also be brought forward at this meeting. This is an amendment to Section 7(1) of the Insurance Law (1995) Revision, which is aimed at providing protection to domestic policyholders. It will require a licensed insurer, in respect of its general domestic business, to maintain funds within the Islands in cash, short-term se-

curities or other approved realisable investments to match current liabilities, life insurance and annuity funds.

Mr. Speaker, turning to other developments in the legislative framework for the financial industry, I am pleased to inform you that on 1st September the Legislative Assembly passed two connected bills.

The first bill, the Special Trusts (Alternative Regime) Bill, 1997 or STAR, allows for the setting up of special trusts; and the second bill, the Perpetuities Law (the Perpetuities (Amendment) Bill, 1997), amends the Perpetuities Law to exempt special trusts from the rule against perpetuities.

These new Laws are expected to provide a better and more secure legal framework for Special Trusts, and will help to improve the competitive position of the Cayman Islands in this area.

Mr. Speaker, in July of this year, a team comprising persons from both Government and the private sector, met with senior representatives of the US administration in Washington, DC. The meetings were aimed at increasing awareness of the measures and safeguards implemented for ensuring the effective regulation of Cayman's financial industry.

I am pleased to report that those meetings were very positive ones; and they laid the foundation for the building of a solid working relationship in the future.

Over the next two years, the Cayman Islands will host some very important, high-level meetings. In October 1998, the Caribbean Financial Action Task Force Ministerial Meeting will take place here in Grand Cayman, at which time we will hold the position of Chair. Then, in 1999, Cayman will host the prestigious Commonwealth Finance Ministers' Meeting. This meeting will attract Finance Ministers from some 54 countries in Asia, Africa, Europe, North America and the Caribbean. Mr. Speaker, I can also point out that this meeting was held in Bermuda two years ago, and at that time, it was chaired by the then Chancellor of the Exchequer. It is likely that the new Chancellor will also be the principal chairperson for this meeting.

Mr. Speaker, Grand Cayman will also provide the venue for training of the Caribbean Financial Action Task Force Examiners, who will undertake mutual evaluations of member countries. These training sessions will commence in 1998.

Turning to developments in Cayman Brac, Mr. Speaker, I am pleased to state that the special incentives which were introduced by Government in 1996 to stimulate investment have been extended for a further year. Cayman National Bank has also extended its special mortgages to July 1998.

These incentives have given a further boost to both the real estate market and the construction industry, as land sales and planning approvals have seen appreciable increases over the past few months.

The Cayman Brac and Little Cayman Economic Development Steering Committee which has been set up to further economic development on the Islands has been quite active. The culmination of its first year's work has resulted in the preparation of a set of Proposals for the

Strategic Development of Cayman Brac. These proposals, together with a list of projects identified by the Caribbean Development Bank, are now under consideration.

Mr. Speaker, in 1997 key pieces of legislation were passed in the Legislative Assembly to help advance the social well-being of the people of the Cayman Islands. The National Health Insurance Law was passed in June; and the National Pensions Law came into effect on 1st July, with a moratorium on enforcement until 1st January, 1998. The National Pensions Law covers all employers and employees in the Cayman Islands, with a five-year phase-in provision for contributions by eligible employees.

THE WORLD ECONOMY

Mr. Speaker, world output is expected to increase by 4¼% in both 1997 and 1998—slightly higher than the 4% recorded in 1996. This is the most rapid pace of growth enjoyed in a decade, and is particularly impressive because it is associated with moderate inflation in almost all of the advanced economies.

The US economy is projected to grow at 3.7% in 1997; growth in the UK is expected at 3.9%; and the recovery is expected to strengthen in Canada and across continental Western Europe. Overall, growth in the advanced economies as a group is projected to increase to 3% in 1997 and 1998, from 2¾% in 1996.

Insofar as the developing countries are concerned, real GDP [Gross Domestic Product] growth of this group is expected to be about 6½% in 1997 and 1998. But recent events in Asia may have the effect of dampening growth in the short run.

Asia has been in the spotlight in recent months because several countries have been experiencing financial market pressures in that region. These pressures have been most acute in Thailand, where the existence of large external deficits and fragile banking systems have affected investor confidence, leading to a sizeable depreciation of the Thai currency, the baht. Neighbouring countries—the Philippines, Malaysia and Indonesia—have suffered adversely from the Thai crisis.

The Thai government moved swiftly to formulate a Medium-Term Policy Strategy to help restore confidence in its economy and maintain economic stability. This action encouraged the provision of financial support from neighbouring countries and the international community—support which is expected to assist in the lowering of external deficits and building of official reserves.

Elsewhere in Asia, China's economy has maintained an impressive growth rate of 9%, while reducing inflation to an estimated 4½% in 1997. China is expected to be a major 'growth pole' in the 21st century.

THE DOMESTIC ECONOMY

The Cayman Islands continued to prosper in 1997. All the main sectors recorded good growth—finance, tourism, real estate and construction; and inflation aver-

aged only 1.9% for the first half of the year. Overall, a growth rate of 5.0% is expected for 1997.

Mr. Speaker, I will now report on developments in the main sectors of the economy.

FINANCIAL AND BUSINESS SERVICES

The external environment for financial services continues to be quite favourable. This, coupled with the dynamic role played by the private sector and effective monitoring and legislation by the Government all contribute to the continuing success of the Cayman Islands' financial industry.

In the first nine months of the year, the financial and business services sector performed quite well. This includes all the main areas: banking, insurance, mutual funds and companies formation.

Mutual funds, the most dynamic branch of the financial industry, registered a 28.3% growth over the past year. As at September 1997, there were 1,593 regulated mutual funds and 135 entities licensed as mutual fund administrators. Compared to September 1996, the number of mutual funds increased by 351 and the number of mutual fund administrators by 17.

Mr. Speaker, the banking sector also performed well in 1997. The number of banking and trust licences increased from 577 at the end of September 1996 to 593 at the end of September 1997. There are now 45 of the top 50 banks in the world licensed in the Cayman Islands. In addition, four of the top 50 banks obtained additional banking licences.

The growth in company registrations also continued, with 6,453 new companies registered as at September 1997. This is an increase of 19.5% over the same period in 1996. In order to increase the efficiency of the Companies Registry, on-line general information services were introduced to the private sector in January of this year.

In terms of the insurance industry, the Cayman Islands continues to be a major centre for captive insurance companies. As at September 1997, gross assets of the captive insurance industry amounted to \$8.0 billion and a total of 30 new captive licenses were issued over the past year.

The United States remains the most important area for captive insurance companies. But new areas are being explored in South and Central America, where insurance markets are now opening up, following liberalisation efforts.

The Cayman Islands continues to be recognised as the favoured domicile for healthcare captives. Once again, in December of this year, the International Business Conference's "Health Care Sponsored Captives Conference" will be held here in Grand Cayman.

Turning to shipping, Mr. Speaker, there has been minimal growth in the register. 1997 represented a period of consolidation, following an exceptionally good year in 1996, when growth in excess of 100% was recorded. However, the Shipping Registry is continuing many of the activities initiated earlier this year. The full-scale review of primary shipping laws has been completed, and a review

of associated regulations is now being undertaken. With these and other initiatives being pursued, the Shipping Register is expected to record strong growth in 1998.

This year the Cayman Islands hosted the first Caribbean Port State Control Committee Meeting in February and the Second in April. The Third Shipowners' Advisory Council Meeting will also be held in Grand Cayman in November.

TOURISM

The tourism industry continues to make a sterling contribution to the economic well-being of the people of the Cayman Islands. For the first eight months of the year, total visitor arrivals to our shores was 863,174. Of this amount, cruise ship passengers numbered 592,658, or roughly 70% of the total, and stay-over visitors were 270,492.

1997 has been a difficult year for Caribbean tourism, but I am pleased to say that in spite of these difficulties our industry has registered positive growth. Compared to the January-August period in 1996, the number of cruise ship passengers grew by 15.3%; and the number of stay-over visitors by 2.7%.

The USA continues to be Cayman's major market, and growth in this area has been fairly stable. But stay-over visitors from Canada has shown a remarkable growth of 18.5%.

Mr. Speaker, in June of this year, the Department of Tourism, in conjunction with the Hotel and Condo Association, launched a significant retail programme designed to support the traditionally slow summer season. This marketing campaign, along with other targeted advertising efforts, has contributed significantly to ensuring that the Cayman Islands maintains its share of Caribbean tourism.

Other developments in the tourism sector include: commencement of construction of the Visitors' Centre at Pedro St James Castle; appointment of a Tourism Attraction Board; and preparations for the erection of a small tourism office in Cayman Brac.

AGRICULTURE

Over the past few months, the Department of Agriculture continued to assist farmers in a variety of ways. One important achievement has been the attainment of self-sufficiency in green banana and mango production. The Department was also successful in stemming the threatened introduction of the Hibiscus Pink Mealy Bug and other diseases into the Islands.

Turning to the Farmers' Market, gross revenue for the January-September period this year amounted to \$1.2 million and an estimated \$1.6 million is projected for the whole of 1997. At year-end, an overall growth of 23% is expected.

BANKING

Data for the first half of the year show that the total amount of loans and advances made to residents in 1997

was \$947.5 million. This reflects a growth of 11.6% over the first half of 1996, which registered a total of \$837.0 million.

The boom in the real estate sector increased the demand for loans, for a total of \$139.2 million was approved for real estate purposes. This was a 3.7% increase over the previous year. But personal loans remained the largest category — with a total of \$435.4 million approved for the year.

Mr. Speaker, total deposits amounted to \$402.7 million—an increase of 7.9% over the June 1996 figure. Of this total, fixed deposits were \$243.6 million; demand deposits, \$80.1 million; and savings deposits, \$78.9 million.

REAL ESTATE AND CONSTRUCTION

The 'boom' experienced by the real estate sector in 1996 continued into the first eight months of 1997. The value of land transferred as at August 1997 was \$199.3 million, some \$15 million more than for the same period in 1996. Government revenues from land and property transfers also increased significantly over the same period—from \$15.8 million to \$17.8 million. This reflects an increase of 10.7%.

In the construction sector, there was a similarly buoyant trend. With strong investor confidence in the economy, plans for new construction valued at \$214.6 million were approved in the first nine months of the year. This represented an increase of 35% over the same period in 1996, resulting mainly from expansions in the construction of apartments and condos as well as in commercial buildings.

The value of planned new construction for "Apartments and Condominiums" was \$68.8 million. The "Residential" and "Commercial/Industrial and Other" categories also had sizeable Planning approvals amounting to \$47.9 million and \$74.2 million respectively.

ECONOMIC OUTLOOK

Mr. Speaker, growth prospects for the domestic economy in 1998 continue to be bright. For the year ahead, an economic growth rate of around 5.0% is predicted. Mr. Speaker, I shall now turn to a review of the public finances.

THE STATE OF PUBLIC FINANCES THE 1997 REVISED BUDGET

Mr. Speaker, all Honourable Members are asked to note that the Treasury Department's projections for 1997 are used in the following comparisons, as opposed to the 1997 revised figures found in the Budget Document that is now before this Honourable House. The reason for this is that the Treasury's projections are more up to date than those found in the Document, as many of these figures were entered several months ago when the 1997 Budget compilation process began.

Based on Treasury projections, the total expenditure for 1997 is expected to reach \$250.7 million which is ap-

proximately 1.9% less than the original estimate of \$255.5 million set out in the 1997 Budget.

Total receipts are projected by the Treasury at \$245.8 million, which falls below the original 1997 estimate of \$249.9 million by about 1.6%. This shortfall in total receipts is caused mainly by the delayed implementation of, and removal of, some of the initial revenue-enhancement measures proposed in the 1997 Budget.

However, the 1.9% under-spending, along with the \$5.8 million accumulated surplus brought forward from 1996 is expected to offset this shortfall. Therefore, the projected 1997 accumulated surplus is \$0.9 million which is \$0.2 million better than the original estimate of \$0.7 million.

GENERAL RESERVE FUND

The General Reserve Fund balance at the beginning of 1997 stood at \$7.6 million. This balance is expected to rise to approximately \$8.9 million by 1997 year-end as a result of interest earned during the year and the inflow of the \$1.0 million budgeted contribution from 1997 Recurrent Revenue. The 1998 Budget also includes a budgeted contribution to the Fund of \$1.0 million.

PUBLIC SERVICE PENSION FUND

The balance on the Public Service Pension Fund at year-end 1997 is expected to be \$29.5 million which represents a 33.5% increase in the Fund's balance during the year and a \$23.2 million increase over the past 5 years. During 1998, the Fund is expected to exceed the \$40.0 million mark as result of employer (\$6.7 million) and employee (\$2.3 million) contributions and the expected investment earnings on the Fund during that year.

HOUSING RESERVE FUND

The balance on the Housing Reserve Fund is expected to reach approximately \$0.5 million by year-end 1997. Honourable Members will recall that this Fund was established to support any calls on guarantees issued by the Government under the Guaranteed Home Mortgage Scheme. To date, some 178 loans valuing \$17.3 million have been approved and \$6.0 million of guarantees have been issued. However, no guarantees have been called to date.

PUBLIC DEBT

Mr. Speaker, as at 1st January 1997, the Total Public Debt stood at \$67.6 million, of which \$50.1 million was Central Government Debt, and \$17.5 million was Self-Financing Debt owed by statutory authorities but guaranteed by Government. After taking into consideration loan repayments and draw-downs during 1997, total Public Debt will rise to approximately \$82 million by year-end 1997.

Notwithstanding these changes, however, the total annual debt service (principal and interest) is expected to represent 6.8% of 1997 Recurrent Revenue which is be-

low the debt service ceiling of 10% established by the Government. This percentage is exceedingly conservative when compared to that of most other governments.

DRAFT ESTIMATES FOR 1998

Mr. Speaker, Total Recurrent Revenue is expected to be \$248.2 million, up 12.8% over the 1997 figure projected by the Treasury of \$220.1 million.

The Total Recurrent Expenditure is \$204.0 million, up 9.5% over the 1997 figure of \$186.3 million projected by the Treasury. In addition, New Recurrent Services totalling \$2.4 million are also budgeted for the staffing of health care facilities and various government schools.

The total ongoing Statutory Expenditure is \$20.2 million and represents debt repayment costs, pensions payments and gratuity payments.

In addition, the Government and its employees have budgeted to contribute a total of \$9.0 million (employer \$6.7 million and employee \$2.3 million) to the Public Service Pension Fund during 1998.

Other Fund Contributions from Recurrent Revenue (except for the Pension Fund mentioned above) include: \$1.0 million to the General Reserve Fund; \$0.2 million to the Housing Reserve Fund; and \$3.9 million to the Capital Development Fund.

Total expenditure against the Capital Development Fund is budgeted at \$28.6 million and is financed as follows: \$3.93 million contribution from Recurrent Revenue; \$2.0 million contribution from the Infrastructure Development Fund; \$2.04 million from the Environmental Protection Fund; and \$20.6 million from existing and new borrowings. I should mention, Mr. Speaker, that the approval for the setting up of these funds will be sought during the Finance Committee meeting on the Budget.

Of this total loan, new borrowings are \$19.5 million and cover mainly health facilities, education facilities and roads development. The balance of \$1.1 million is budgeted for the continued development of the Pedro St. James Heritage Site. Honourable Members will recall that a loan was approved in 1996 for this specific purpose.

Mr. Speaker, the net result of these figures is an estimated Accumulated Surplus at year-end 1998 of \$0.1 million. In addition, the Environmental Protection and Infrastructure Development Funds are expected to have positive balances of \$0.41 million and \$0.24 million, respectively, at year-end 1998.

CONCLUSION

Mr. Speaker, I wish to thank all public service employees who assisted with the preparation of the 1998 Budget and the public service in general for its continued advice and support.

I recommend the Appropriation Bill (1998), 1997, which proposes total expenditure of \$244.4 million, broken down as follows: Recurrent Expenditure (\$204.0 million); New Services (\$2.4 million); Capital Acquisitions (\$8.2 million); Contributions to the General Reserve and

Housing Reserve Funds (\$1.2 million); and Capital Development (\$28.6 million).

Mr. Speaker, as is customary, these figures do not include a statutory provision of \$29.2 million, which is broken down into \$20.2 million for ongoing public debt, pension and gratuity payments, and \$9.0 million in employer (\$6.7 million) and employee (\$2.3 million) contributions to the Public Service Pension Fund. This expenditure is covered by other legislation and is accordingly not included in this Bill.

Mr. Speaker, before closing, Members are asked to note that there are some differences in detail but not in the "bottom line" between the 1998 Draft Budget Document and the Appropriation Bill. These differences in detail arise because of the reclassification of employee pension contribution from Recurrent Expenditure to Statutory Expenditure, and the introduction of the fund accounting concept in the 1998 Budget. Prior to the commencement of the deliberations of Finance Committee, these differences will be highlighted and explained in full. However, I am quite willing to meet with any Member who requires clarification prior to the commencement of the Finance Committee meeting.

Mr. Speaker, for the sake of clarity, Members are asked to note that the information provided in this Budget Address corresponds with the Appropriation Bill which sets out the definitive figures.

Mr. Speaker, I would like to thank you and Honourable Members for the opportunity to present this Budget Address and the Appropriation Bill on behalf of the Government. Thank you.

The Speaker: I will now entertain a Motion by the Honourable Third Official Member to defer the debate.

MOTION FOR THE DEFERRAL OF DEBATE

Hon. George A. McCarthy Mr. Speaker, I would like to move that the debate on the Appropriation Bill be deferred until Wednesday of next week. Thank you.

The Speaker: The question is that the debate on the Appropriation Bill be deferred until Wednesday 12th November, 1997. All in favour, please say Aye. Those against, No.

AYES.

AGREED: THAT THE DEBATE ON THE BUDGET ADDRESS BE DEFERRED UNTIL WEDNESDAY, 12TH NOVEMBER, 1997.

The Speaker: The Ayes have it. This may be an appropriate time for us to take our morning break. We shall suspend for fifteen minutes.

PROCEEDINGS SUSPENDED AT 11.12 AM

PROCEEDINGS RESUMED AT 11.52 AM

The Speaker: Pleased be seated. Proceedings are resumed.

CORRECTION OF BALLOT COUNT

The Speaker: Before proceeding, I would like to advise the Honourable House that there was an omission of one ballot cast for the Fifth Seat on Executive Council. I have discussed this with the Scrutineers and the Clerk and have reviewed the ballots cast. In order to correct the records of the House, I now advise that a total of 14 ballot papers had been circulated and cast, nine of which were in favour of Mrs. Julianna O'Connor-Connolly, and five were spoiled, or blank ballots with no vote cast. Therefore, I wish to have the record corrected to state that there were a total of 14 votes cast.

Bills, First Readings.

BILLS FIRST READINGS

THE JUDGES' EMOLUMENTS AND ALLOWANCES BILL, 1997

The Clerk: The Judges' Emoluments and Allowances Bill, 1997.

The Speaker: The Bill is deemed to have been read a first time and set down for Second Reading.

I would ask for a Member to move the suspension of Standing Order 44. The Honourable Second Official Member responsible for Legal Administration.

SUSPENSION OF STANDING ORDER 44

Hon. Richard H. Coles Mr. Speaker, I beg to move the suspension of Standing Order 44 to enable The Animals (Amendment) (Protection of Aircraft) Bill, 1997, to be read a first time as the requisite notice has not been given.

The Speaker: The question is the Suspension of Standing Order 44 to enable The Animals (Amendment) (Protection of Aircraft) Bill, 1997, to be read a first time as the requisite notice has not been given. I shall put the question. Those in favour please say Aye. Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. STANDING ORDER 44 SUSPENDED.

THE ANIMALS (AMENDMENT) (PROTECTION OF AIRCRAFT) BILL, 1997

The Clerk: The Animals (Amendment) (Protection of Aircraft) Bill, 1997.

The Speaker: The Bill is deemed to have been read a first time and set down for Second Reading.
Second Reading.

SECOND READINGS

THE JUDGES' EMOLUMENTS AND ALLOWANCES BILL, 1997

The Clerk: The Judges' Emoluments and Allowances Bill, 1997.

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles I move the Second Reading of The Judges' Emoluments and Allowances Bill, 1997.

Perhaps I can begin my debate by saying that although I am moving and introducing this Bill to the Honourable House, it in no way implies that I have any control over the Judiciary in Cayman. I am introducing the Bill on behalf of His Excellency the Governor and in fulfilment of my role in dealing with matters that affect the Judiciary in this Honourable House. I would not like there to be any misunderstanding over that.

The independence of the Judiciary is at the heart of a democracy such as in Cayman, and is a matter of considerable significance to us to the extent that it is enshrined in our Constitution. The independence and freedom of the Judiciary to be not constrained and to be independent from other arms of Government is absolutely fundamental, particularly in a jurisdiction which has such an international reputation as the Cayman Islands. The appointments of judges are already made by His Excellency the Governor acting in his discretion; they are not appointments that are made through the Public Service Commission. This Bill merely takes, in terms of the emoluments and allowances, that particular process a stage further.

As I said, the Constitution enshrines and ensures the independence of the Judiciary by regulating both the appointment of judges and, indeed, if necessary, their dismissal. It is worth my pointing out where the relevant sections in the Cayman Islands (Constitution) Order of 1993 are. The sections that deal with the Grand Court and the Grand Court Judges are sections 49H through to section 49M. There are also sections dealing with the Cayman Islands Court of Appeals just immediately prior to those sections, at 49A through to 49G.

Indeed, it does not stop there because there are two other offices for which independence is an essential ingredient: the office of the Attorney General, and the office of the Auditor General. They, in turn, are referred to in the Constitution at section 55A, which deals with the office of Attorney General, in particular the Attorney General's role as the prosecuting authority in Cayman; and section 55B deals with the Auditor General who is the watchdog over Government's financial affairs, in particular, and the workings of Government. It is extremely important that all

of those offices are independent and are seen to be independent—both in Cayman and internationally.

The Bill before us today is an extremely short Bill and is designed to fulfil section 49I subsection (5) of the Cayman Islands (Constitution) Order 1993. I will read that subsection out for Members: **"The emoluments and allowances of a Judge of the Grand Court shall be prescribed by law and shall be charged on the revenues of the Islands, and the emoluments and allowances of a judge shall not, without his consent, be reduced during his continuance in office."** The significance of that section is obvious—it is so that pressure cannot be brought to bear on Members of our Judiciary by intimidating them in respect of their salaries or, indeed, as far as the Constitution is concerned, their security of tenure here. It is to enable them to become truly independent and unaffected by those sorts of considerations. It is to fulfil that that this Bill has been prepared and brought before the House.

As I said, it is very short and straightforward and it merely confirms what is, in reality, the situation in any event; which is, that the emoluments, the annual salary, any pensions and other allowances that are due to both the Chief Justice and the other judges of the Grand Court of the Cayman Islands, shall be prescribed from time to time by the Governor acting in his discretion. That means, for the avoidance of doubt, that it has nothing to do with the Executive Council of the Cayman Islands, or, indeed, the Government. It is entirely a matter for the Governor, himself, acting in his discretion. This preserves the separation of powers between the Judiciary and Executive arms of Government.

Once this Bill has been passed and the Governor has been empowered to fulfil the constitutional requirements of the Cayman Islands Constitution, then it cannot be said that the Legislative Assembly, or any of the Executive arms of Government are in some way retaining any control over the Judiciary. We can proudly say what has always been the case in the Cayman Islands, that our judges and courts are entirely independent and preserve the freedom of democracy in Cayman.

Mr. Speaker, with those words, I commend the Bill to this House.

The Speaker: The question is that a Bill entitled The Judges' Emolument and Allowances Bill, 1997 be given a second reading. The motion is open for debate.

The Fourth Elected Member for George Town.

Dr. Frank McField Mr. Speaker, I would just like to make a few comments so that the Honourable Attorney General and other Members of the Legislative Assembly will know that I am fully in agreement with this Bill. We need to make it clear to the public that there should be a separation of powers in this country. I think it is very important that it be made clear that the Executive Council will not have any role in this matter.

I am very pleased that the Honourable Second Official Member has brought this Bill before the Legislative Assembly for approval.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I too wish to give my support to this Bill. I think that it is a very important Bill. What it is doing is putting into law provisions that had already been made in our Constitution for the protection of the Chief Justice and other judges of the Grand Court.

I was pleased to hear the Honourable Second Official Member clarify the point, making it quite clear that he was moving this Bill on behalf of the Governor and not usurping the position as he recognises that the Judiciary is an independent arm of Government.

He stressed the importance of the separation of powers. That the position of our judges is protected is very important as is the position of the Attorney General, and, indeed, the Auditor General, especially with the very important role that they have to play. The emoluments of the Chief Justice and officers of the Grand Court are not subjected to the whims and fancies of the Executive Council as such.

The Fourth Elected Member for George Town also made that point, which I think is a very important point, that this is done with the Governor acting in his discretion as Governor and not as Governor in Executive Council. So this is entirely a matter for the Governor. I think the listening public should understand that he alone has the discretion to interfere, to make any changes to the salaries or other emoluments of the Chief Justice and the Grand Court Judges.

I want to congratulate the Mover, the Honourable Second Official Member responsible for Legal Administration, for the clarity and for the time he took explaining the points raised under this Bill. Of importance is that in the wisdom of this Honourable House, in 1993 (and I trust that no Honourable Member will jump up and say that it was his Government that did this) this was enshrined in our Constitution, ensuring the protection of the salaries of judges of the Grand Court. Long before 1993 this had been in the pipeline.

The Honourable Second Official Member responsible for Legal Administration also referred to section 49I(1) which states, "**The Judges of the Grand Court shall be a Chief Justice and such number of other judges (if any) as may be prescribed by law. . .**" So that section makes it abundantly clear who we are referring to.

Section 49I(5) states, inter alia, "**The emoluments and allowances of a Judge of the Grand Court shall be prescribed by law and shall be charged on the revenues of the Islands, and the emoluments and allowances of a judge shall not, without his consent, be reduced during his continuance in office.**" This is very important that this is also protected in the Constitution, that Members of this Legislative Assembly will not have the power to amend and change the emoluments of the Chief Justice or a judge of the Grand Court as they see fit, or because they may not like a particular officer, be he the Chief Justice or other officer or judge of the Grand Court. This also is enshrined in the Constitution. It

is very timely that we now have a Bill which seeks to put that into Law.

Also, in section 28 of the 1993 Amendment Order to the Constitution, an attempt is made under the transitional provisions to clarify the situation as regards any reference to the existing Grand Court. In other words, pensions and other benefits that have accrued will be protected by the reciprocal effect of this Law. This is very important, that these benefits are also protected.

I will not take up a lot of time reiterating the points that have already been made by the Honourable Mover of this Bill, only to say that this is a very timely Bill and I give it my one hundred percent support.

The Speaker: Does any other Member wish to speak? (Pause). If not, does the Mover wish to reply?

Hon. Richard H. Coles Just to thank Members who spoke for their support on this Bill, and for the tacit support of other Members.

The Speaker: The question is that a Bill entitled The Judges' Emoluments and Allowances Bill, 1997, be given a second reading. I shall put the question. Those in favour please say Aye. Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: THE JUDGES' EMOLUMENTS AND ALLOWANCES BILL, 1997 GIVEN A SECOND READING.

The Speaker: Second Readings, continuing.

THE ANIMALS (AMENDMENT) (PROTECTION OF AIRCRAFT) BILL, 1997

The Clerk: The Animals (Amendment) (Protection of Aircraft) Bill, 1997.

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean Mr. Speaker, I beg to move the second reading of a Bill for a Law to Amend the Animals Law (1996 Revision).

Although a very short Bill, this Bill is very important. This Bill seeks to amend section 78 of the Animals Law (1996 Revision) to permit the Governor to grant exemptions from the Law so that measures may be taken to ensure that aircraft are not endangered by birds or straying animals.

We have been very lucky in these islands with regard to safety of aircraft because of birds on several of our airports. It is a fact that each time an aircraft ingests a bird through an engine it costs a huge amount to repair. But money cannot be weighed against the life of an individual. We, as sensible legislators, seek every precaution to try to eliminate the danger which is presently before

us. It is my understanding that costs could range from \$200,000 to \$400,000 whenever an engine is repaired.

Here in Grand Cayman, especially (and I think also in Cayman Brac), the type of bird mostly creating the problem is the egret which harbours around areas such as airports and swampy areas. This amendment to the Animals Law will allow the Governor to instruct capable persons to have this nuisance removed in a safe manner. Indeed, at the same time we will be protecting not only the aircraft, but the life we save may be our own.

So, Mr. Speaker, I ask all Members of this Honourable House to offer this short amending Bill their support.

The Speaker: The question is that The Animals (Amendment) (Protection of Aircraft) Bill, 1997 be given a second reading. It is now open for debate. (Pause)

If no Member wishes to debate would the Mover like to say anything further? The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean Just to say thanks to all Members of the House for understanding the importance of this Bill and I do appreciate their silent support.

The Speaker: The question is that The Animals (Amendment) (Protection of Aircraft) Bill, 1997 be given a second reading. I shall put the question. Those in favour please say Aye. Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: THE ANIMALS (AMENDMENT) (PROTECTION OF AIRCRAFT) BILL, 1997, GIVEN A SECOND READING.

The Speaker: The House will now go into Committee to consider The Judges' Emoluments and Allowances Bill, 1997, The Animals (Amendment) (Protection of Aircraft) Bill, 1997.

HOUSE IN COMMITTEE AT 12.17 PM

COMMITTEE ON BILLS

The Chairman: The House is now in Committee. With the leave of the House, may I assume that, as usual, we should authorise the Second Official Member to correct minor printing errors and such like in these Bills. Would the Clerk state each Bill and read its clauses?

THE JUDGES' EMOLUMENTS AND ALLOWANCES BILL, 1997

The Clerk: The Judges' Emoluments and Allowances Bill, 1997.

Clause 1: Short title.

Clause 2: Salaries, etc.

The Chairman: The question is that clauses 1 and 2 do stand part of the Bill. I shall put the question. Those in favour please say Aye. Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSES 1 AND 2 PASSED.

The Clerk: A Bill for a Law to Provide for the Emoluments and Allowances for the Judges of the Grand Court.

The Chairman: The question is that the Title do stand part of the Bill. I shall put the question. Those in favour please say Aye. Those against No.

AYES.

The Chairman: The Ayes have it.

TITLE PASSED.

THE ANIMALS (AMENDMENT) (PROTECTION OF AIRCRAFT) BILL, 1997

The Clerk: The Animals (Amendment) (Protection of Aircraft) Bill, 1997.

Clause 1 Short title.

Clause 2 Amendment of section 78 - Power to exempt from the Law.

The Chairman: The question is that clauses 1 and 2 do stand part of the Bill. I shall put the question. Those in favour please say Aye. Those against No.

AYES.

The Chairman: The Ayes have it.

CLAUSES 1 AND 2 PASSED.

The Clerk: A Bill for a Law to Amend the Animals Law (1996 Revision).

The Chairman: The question is that the Title do stand part of the Bill. I shall put the question. Those in favour please say Aye. Those against No.

AYES.

The Chairman: The Ayes have it.

TITLE PASSED.

The Chairman: That concludes proceedings in Committee on a Bill entitled The Judges' Emoluments and Allowances Bill, 1997, and The Animals (Amendment) (Protection of Aircraft) Bill, 1997. The question is that the Committee do report to the House. I shall put the question. Those in favour please say Aye. Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: THAT THE COMMITTEE REPORT TO THE HOUSE.

HOUSE RESUMED AT 12.25 PM

The Speaker: Please be seated. Reports on Bills.

REPORTS ON BILLS

THE JUDGES' EMOLUMENTS AND ALLOWANCES BILL, 1997

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles Mr. Speaker, I beg to report that a Bill entitled A Bill for a Law to Provide for the Emoluments and Allowances of Judges of the Grand Court was considered by a Committee of the whole House and passed without amendment.

The Speaker: The Bill is accordingly set down for Third Reading.

THE ANIMALS (AMENDMENT (PROTECTION OF AIR-CRAFT) BILL, 1997

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Mr. Speaker, I beg to report that a Bill entitled A Bill for a Law to Amend the Animals Law (1996 Revision), was considered by a Committee of the whole House and passed without amendment.

The Speaker: The Bill is accordingly set down for Third Reading.

Motions. I will now ask for the suspension of Standing Order 24(5). The Honourable Minister for Education, Aviation and Planning.

GOVERNMENT MOTIONS

SUSPENSION OF STANDING ORDER 24(5)

Hon. Truman M. Bodden I move the suspension of Standing Order 24(5) to enable the motions to be taken.

The Speaker: The question is the suspension of Standing Order 24(5) to enable the motions to be taken. I shall put the question. Those in favour please say Aye. Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: STANDING ORDER 24(5) SUSPENDED.

The Speaker: Government Motion No. 11/97, The Development Plan 1997. The Honourable Minister for Education, Aviation and Planning.

GOVERNMENT MOTION NO. 11/97

THE DEVELOPMENT PLAN 1997

Hon. Truman M. Bodden Thank you, Mr. Speaker. This Motion, as well as the other Motion, was handed out in draft form some time back, and was actually also given to the press, even though I subsequently filed it sometime after. It has also been reported in the press. The Motion reads:

“WHEREAS: In May 1991, the review of the Development Plan 1977 commenced pursuant to section 7(1), Development and Planning Law (1995 Revision). To broaden the scope of public involvement a Development Plan Review Committee and committees for each of Grand Cayman's five (5) electoral districts were formed. The Development Plan Review Committee was the liaison unit between the Central Planning Authority and the District Review Committees.

“Between May 1991 and December 1993, the Authority and the District Review Committees held numerous meetings to seek public input for the exercise. To reach as wide an audience as possible, public meetings were held in each of the districts, questionnaires were distributed to the public, and discussions were held with the essential utility providers (Caribbean Utilities Company Ltd., Cable and Wireless, Water Authority and Cayman Water Company Ltd.) and Government departments.

“As a result of this information-sharing exercise, the Central Planning Authority (CPA) accepted the Fourth Draft of the proposed amendments in December 1993 and put a Plan on public display for two months, starting in December 1994. This period was extended by another month to allow additional public input.

“In late March 1995, the CPA started reviewing all the objections and representations as well as rezoning applications that were previously refused. Three Tribunals were formed to expedite the process. By October 1995, the CPA had submitted the reports to the Ministry of Education and Planning, for transmission to the Development Plan Tribunals. The Development Plan Tribunals held hearings from January until July 1996, after each person who had made representations was afforded at least 28 days' notice of the hearing. The Tribunals submitted their reports between June 1996 and March 1997.

“The Tribunals’ reports were submitted to the CPA during three meetings in April 1997. After careful consideration and deliberations during these meetings, as well as those in May and June 1997, The Development Plan 1977 was prepared.

“The Development Plan 1997 still incorporates some of the guiding principles of the Development Plan 1977 as well as the Development Guidelines for Development in Cayman Brac and Little Cayman (Appendices 1 and 2). The Plan is still intended to reflect the heritage and aspirations of the Islands—their self-reliance, their seafaring, their free enterprise and land ownership interests. The Plan is still intended to take the form of practical guidelines to be applied with flexibility, understanding and common sense by the Authority.

“Three new zones (Environmentally Sensitive, Environmentally Protected, and Neighbourhood Tourism) recommended by one of the Development Plan Tribunals and the road reserves were not published in the 1994 Draft Plan, and therefore the public had no opportunity to make objections and representations on the said three zones in accordance with section 8 of the Development and Planning Law (1995 Revision). The Executive Council shall, under the provision of the Law, require the Authority, within two months of the passing of the Development Plan 1997, to expeditiously carry out a fresh survey of the said three zones and the road reserves which is expected to be completed and presented to the Legislative Assembly within 15 months.

“NOW THEREFORE BE IT RESOLVED THAT in accordance with Section 7 of the Development and Planning Law (1995 Revision), the Central Planning Authority hereby submits to the Legislative Assembly the report of the survey, together with the proposals for alterations and additions to the Development Plan 1977 consisting of the written statement and the zoning map, both of which are attached hereto and which shall hereafter be and be deemed to be the Development Plan for the Cayman Islands and shall come into force one month after the passing of this resolution.”

Mr. Speaker, I so move this Resolution.

The Speaker: Government Motion No. 11/97 has been duly moved. Does the Member wish to speak to it?

Hon. Truman M. Bodden The Motion sets out a lot of detail relating to the Plan, as this House regards this Plan as extremely important. It is the first amendment in twenty years. I would just like to address a few areas that I think are important to explain.

The first one is the paragraph in “Whereas” clause number 7, that three new zones, as well as reserves for future roads, were not published in the 1994 Draft Plan. The people who own the land, who would have been af-

ected by the three zones and the reserves for the roads, did not have an opportunity to object or make representation, because the three zones and the road reserves were not part of that Plan. To keep in line with the Planning Law, it is important that any affected landowner have a full right, in accordance with the Law, to be heard—and to be heard in person, if they so wish—by the Tribunals, of which there are three.

That right is so important that the proper course, for any failure of any part of that very important democratic right which affects this Plan in relation to those three zones and the road reserves, is to have it sent back for the owners to have an opportunity to make representation. I will possibly be bringing (either in this meeting or the next meeting of the Legislative Assembly) an amendment of the Appeals Rule for the Development Plan so that it is put beyond doubt that notice shall be mandatory to any person who may be affected by a new zone.

This Plan began in 1991 under the then Minister, the current Third Elected Member for George Town who was succeeded by the Minister for Tourism, and subsequently by myself. However, it has been looked at by every Member of Executive Council who has held that position over the past twenty years. I guess it is significant that this is twenty years (give or take a few months) since the Development Plan was passed in 1977.

I had the opportunity of meeting with the National Trust and I amended this Motion in paragraph 7 in relation to the zones to comply with requests made by Rev. Alson [Ebanks] and Mrs. Wendy [Moore], the Chairman and Secretary of the National Trust, to make it mandatory that within two months of the passing of the Plan the Central Planning Authority would begin the process in relation to the three new zones and the road reserves.

I also had the opportunity of meeting with the Chairman of the Tribunal who recommended these three zones. He, being a lawyer, also understood the difficulty which arose as a result of the fact that when zones are actually produced from a tribunal after the period for the public to object, then it deprives the public of objecting in relation to those zones.

I am satisfied that this amendment to the Development Plan is one that has complied with the Law, and that the full democratic rights. . . and I must say that they are the most bureaucratic, yet protective, of public rights that any Law has in it, and that is why it takes a very long time to reach the stage we have reached today with this Plan.

The Plan itself comprises the written statement and a map so that the public, as well as Members of this Honourable House, can easily see the amendments to the Plan. I have set out in the front part of this (the preface) that the part in bold type is new, and the part in normal, lighter type is old and remains from the 1977 Plan. Also, on the map where it is striped on a zone that means that it was an amendment made by this Plan. So there can be no doubt whatsoever, and anyone who picks this up knows exactly what the amendments to the Plan are.

The complexity of this Plan can be best borne out by the fact that over the past twenty years successive Governments, including several that I have been in, were not able to complete it. This Plan is the culmination of three Executive Council Members who have had responsibility for this Plan.

For the benefit of Members and the public, while we did not (or could not, in my view) legally incorporate the zones, there are several (in fact many) areas where this Plan makes reference to conservation. One of these is found in paragraph 1, subparagraph 2, on page 2 where we have added **“subject thereto its environmental character.”** There is a further reference on page 3, and I am not going to try to read all of these, but I just wanted to point out that while the conservation zones are not in here, there are amendments which have tightened considerably the conservation aspect of this. At page 3, subparagraph (g) of 1.3 says, **“to encourage the necessary conservation of existing fresh water supplies.”**

There is a further full paragraph set out at page 6, the third paragraph which deals with the mangrove areas or wetlands in which an application may be made subject to an environmental analysis. Perhaps I should read that because this did arise from the Tribunals' recommendations. It reads:

“New developments proposed in the mangrove areas or wetlands may be subject to the environmental analysis provisions contained in Appendix 3 and other relevant provisions of the Statements in a manner which enables the Authority to be satisfied that -

- “(i) the application site is suitable for the use and form of development proposed;**
- “(ii) the development will not have a detrimental impact on the natural, human and built environments of the area; and**
- “(iii) the scale, density and design of development take proper account of a site's physical and environmental characteristics.”**

Appendix 3 at the end states: **“The submission of an Environmental Impact Statement (EIS) for development projects which, because of the characteristics of the site of the particulars of the proposal, may be required in order for the Authority to carefully examine the potential impacts of the development prior to the determination of the application.**

“An environmental impact statement shall include the appropriate plans, information and date in sufficient details to enable the Authority to determine, examine and assess the potential environmental impacts of the proposal.”

There are two further references in bold right at the end of 1.3, and I do not intend to belabour this any further. Paragraph 2.5 also has references, as well as at the bottom of page 8 **“Marine Commercial.”** This seemed to have been a concern of the public that in the Marine

Commercial area, boats may not be properly containing and discharging on land the sewage that derives when people live on boats, or when a large number of people are on a boat using the toilet.

In the **“Hotel/Tourism Zone”** at page 10. . .

The Speaker: Honourable Minister, would this be a convenient time to take the luncheon suspension, or would it break your train of thought?

Hon. Truman M. Bodden: We can take a break, sir. Thank you.

The Speaker: Proceedings are suspended until 2.15.

PROCEEDINGS SUSPENDED AT 12.45 PM

PROCEEDINGS RESUMED AT 2.29 PM

The Speaker: Please be seated. Proceedings are resumed. Debate continues on the Government Motion Number 11 of 1997. The Honourable Member for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, I would like to make it clear that the Development Plan 1997 before this Honourable House deals only with Grand Cayman. The guidelines from 1977 relate and continue to relate to Cayman Brac and Little Cayman, even though preparation is beginning now for plans in those two Islands. So nothing that is being said today in this Plan affects Cayman Brac and Little Cayman. Everything that was preserved before is preserved in this.

Mr. Speaker, other areas in which there have been some changes are where there was only one Industrial Zone, there is now a Heavy Industrial Zone and a Light Industrial Zone. The Public Open Space Zone has not been affected; and the Agricultural Residential Zone has had a few variations to it. Scenic Coastline has had added to it the following, which, I believe, is in line with the wishes of the National Trust: **“the panoramic views and vistas provided by these coastlines are natural assets which are to be safeguarded for present and future generations.”**

The Historic Overlay Zone is one that derived and came from the report of the Appeals Tribunal that dealt with the Development Plan, chaired by Mr. W.S. Walker, and it provides as follows: **“The purpose of the Historic Overlay Zone is to promote and encourage the perpetuation of historic buildings and structures with the underlying zone remaining in effect. Development will be strictly controlled to conserve the Cayman Islands' historical and architectural heritage.**

“Subject to the Development and Planning Law and Regulations, the Authority shall apply the Historic Overlay Zone provisions and other relevant provisions of the Statement in a manner best calculated to —

- "(a) preserve and protect the established historical, architectural or cultural character of the area;
- "(b) preserve any significant aspect, appearance or view of the area; and
- "(c) preserve and protect any prospect or view, being an environmentally important prospect or view, from any public area."

The section "Land Above Water Lenses" has not changed, nor has the "National and Community Parks." "Road Requirements" is substantially the same except that there has been an addition: to encourage the utilising of common roads in a subdivision.

"Subdivision of Land" is a new section on page 14, that really puts into effect what substantially is the practice at present.

Mr. Speaker, one of the underlying things here, and I say this in relation to the three zones that were not put in this Plan, as well as the road corridors, and Mr. Speaker, these zones and the corridors are important. That is why we have asked for this to begin within the next two months. But the underlying factor is that if a zone is put in, for example, one of the preservation zones, then, Mr. Speaker, the persons who own that property must be fully compensated in accordance with the Law, to the extent of the diminution in value of that property.

And there are sections in the Law that deal with property that is subject to acquisition, but basically they follow the same principles that are set out in the Land Acquisition Law, which are that Government, if it decreases the value—for example, if I take the best example, the wetlands in the Duck Pond and area between Rum Point and down to the Booby Cay area, those lands, if they are ultimately zoned with one of the two new zones that are going in there, then, in my view, persons who are affected, or are damaged, or the value of the land is reduced, are entitled not only to compensation but they are entitled to object, because many of them have put their life savings into this.

So the underlying aspect of this Plan is really that on those zones, when they come up, this Honourable House would have to take a decision on whether it is going to appropriate the money. Because under the Law, if that appropriation is not made, I think within a year, subject to looking at the Law, then once a request is made from those people, the zone will fall away.

Mr. Speaker, I believe that those wetlands are important, and I believe that, as far as possible, subject to the funds and within the Law, there should be protection of them. I also personally would assist the National Trust as far as I can to purchase lands that are environmentally sensitive, where they feel that is necessary.

Mr. Speaker, I would like to repeat that my thanks go out, and I did this in somewhat more detail in a press release, to the Honourable Members of this House first, and also to the people of the Cayman Islands who assisted and made representations or objections in this Plan; to the present and former Ministers and Members of Executive Council who were involved in this; to the

past and present Director of Planning; also to the Chairman and members of the Central Planning Authority and all the staff there; and especially to my staff in my Ministry.

Mr. Speaker, while the document that is presented here today may appear to be a simple document, it has taken more effort from not just me but a lot of people. And especially I would like to thank the Chairmen and the members of the Development Plan Tribunals and the Appeals Tribunal, but it has taken a lot more effort over a period of nearly four years now, or more than that, in fact five years, to get to this stage. And while nothing is ever perfect, Mr. Speaker, the thing about this plan is that it has run a very lengthy, full democratic process, and what we have here today is, in my view, what the public wishes as a development plan.

I must say it brings back a bit of nostalgia from the days in 1977 when the 1977 Plan came before this Honourable House, in which the country was in a state of turmoil, and the process relating to that was very much expedited, and I think within a matter of less than six weeks the full process was run through and it was brought in. So the time has come, twenty years later, to revise that Plan and amend it, and I would ask Members to please support this, because I really believe if this Development Plan does not go through this time, it could sit on the shelf for another twenty years, and that is not in the interests of the Cayman Islands. Thank you, Sir.

The Speaker: This is now open for debate. Does any other Member wish to speak to the motion? If no other Member wishes to speak . . . the Fourth Elected Member for George Town.

Dr. Frank McField Thank you, Mr. Speaker. In responding to Government's Motion No. 11/97, let me say first of all, that I had an opportunity beforehand to go through some of the "WHEREASES" which the Minister and his advisors formulated. I am not on my feet because I would like to criticise anything with regard to this Plan. In fact, I am on my feet because I would like to express an inability on my part, in that I do not have sufficient knowledge of the entire details to be able to somehow critically assess the pros and cons of this new 1997 Development Plan.

It is something I often like to refer to in saying that somehow one is at a disadvantage in being a simple Backbencher in the Legislative Assembly, and one is at an even greater disadvantage being an individual, independent Member of the Legislative Assembly, in that one has very few bureaucracies or individuals to fall back on in order to make intelligent decisions when it comes to such programmes of such magnitude.

I came back to this country in 1977 with a Ph.D., and during that time I understood, or had followed in the papers while in Germany, that the Unity Team had come to power as a result of the fact that Caymanians *en masse* were dissatisfied with the activities of the Cadastral Survey; and that the Caymanians in fact wanted a Development Plan that gave them certain types of commercial possibilities with regard to use of their private properties.

Mr. Speaker, the reason I am going back is in order to give myself some grounds for discussion. I am saying that I do admit that it is not easy to arrive at a conclusion for such a plan, and that it would take long to arrive at a conclusion, but perhaps by the time one arrives at the conclusion, the conclusion that one has arrived at is no longer a valid conclusion. That is also a possibility, Mr. Speaker.

If I have not made it clear before, I am becoming an advocate of systematic planning. I am becoming an advocate in saying that we need to have an overall plan for these Islands. In other words, not, Mr. Speaker, that we have, saying that we are going to have one from Column A and one from Column B and two from Column C, but that we have a concept of where we are going as a people.

Mr. Speaker, for us to know where we are going as a people, we have to have collective agreement with regard to what is important to us as a people. Of course land forms the background, or land is the substance from which a people are nurtured. And in developing any type of programme or plan for a people, it is necessary to take the land considerations into account.

In the many discussions I have heard over the past years with regard to dredging, with regard to preservation of the wetlands, with regard to the preservation of the North Sound, with regard to the preservation of the environmentally sensitive parts of our Islands, with all of the discussions from all of the different types of positions, I have never, never heard any anyone clearly define and anchor themselves to any position with regard to where we are going. Because as soon as people start talking about preserving the environment, we hear them criticising something else.

Our society is riddled with these types of contradictions, in fact. And in debating whether or not I accept this Development Plan at this particular point—because somehow I feel that when it is stated that this is a development plan, a development plan, it is a physical development plan. It is not a development plan, and that is misunderstanding to call it a development plan. Development is more than about physical development. Physical development sets the stage for other developments, and can determine, to a very large extent, whether or not certain types of economic and social development are possible.

Now, as I am discussing this from a somewhat disadvantaged position, in that I am not a Minister of Government who has access to a wide body of experts and expertise, it is my understanding that the Minister responsible for this particular plan did consult the public, and did give the public sufficient time to be able to respond in a way in which they could. There is no doubt in my mind that the Minister has done his job from a particular point of view.

But Mr. Speaker, I think that the people cannot respond properly if the people are not working with the right assumptions. And for us to allow the assumption to be among the people that we are dealing with a Development Plan here, is to mislead people right away. It is to

cause people not to make the supreme type of consideration. Because the supreme type of consideration would involve, not just the use of the land, but also who can use the land, who can buy the land, who can exploit the land in certain ways and certain cases.

The assumption I am trying to bring in here, is that somehow, we need to look at what we call land and what is the use of that thing which we call land, which we must then further trade, on the open market, in order to achieve commodities and services we desire as a people. So the whole concept of land, and how we look at land, should be introduced into any sensible programme or plan for the 21st century. We cannot continue to look at land, land value and land use in the old traditional ways. We must look at land, land value and land use in a much more developed and dynamic manner.

Land and the use of land is not a static exercise, but a dynamic exercise that changes social relationships between people and between countries. And for this reason, it is important that we at this particular point, in talking about a development plan, in talking about a physical development plan, also deal with the social and philosophical and political implications of land, land use and land ownership.

This makes a lot of sense to anyone who tries to dabble with economics, in that if we are members of a society, or if we are a country that has only one real commodity, which is land, all other commodities we have stem from that land, the desire of people to use that land. Whether it be for recreational purposes, or to play Monopoly® on the international exchange markets, by buying that land or condominium, which basically springs from the land, and then further, selling it in order to make a profit.

So land in Cayman, we have thought about it in a very inactive sense. We must begin to think of land in a more active sense. We must understand the active role land is playing in creating the wealth within this country. And how we deal with land, how we redistribute land, how land ownership is determined, is very important for the continuation of our economic progress.

Now if we are to continue our progress, we will have to make more and more of our land available to members of the foreign community seeking to do certain types of investments in the Cayman Islands. In doing so, what we do is escalate the value, or we increase the value of our land, which members of our society consider to be very positive. Because if I have a piece of property, and through the zoning of the property, or the non-zoning of the property, in a commercial area or a tourist residential area, if I can increase the value of my land, that is an asset to me as an individual. But it could, at the same time, turn around and be very short-sighted, and be a disadvantage to me as a member of the society.

Because if we are going to create poor people as a result of how we deal with the question of land and land ownership and land zoning, if we are going to take off the market, or prevent by the high prices, middle-class Caymanians from being able to afford land and being able to afford homes, then we are also, at the same time, creat-

ing certain types of social and political problems that might rob us of our present economic stability.

So, Mr. Speaker, it is very clear to me, even without the experts, even without the consultation with the general public that the Minister has had access to, it is very clear to me that we are not just dealing with a physical plan, we are not just dealing with a physical problem, we are dealing with a social, economic and political problem or consideration as well.

In making these considerations, I have had people say to me, look, I want my piece of land zoned commercial, because if our piece of land in Rock Hole is zoned commercial, it means that we could sell this piece of land and make a good profit. But the question is, to us in Rock Hole, who is going to come to buy that piece of land? Not one of us! So maybe in this particular instance it might be, for the good of the people, better to let the land remain non-commercial, let the people continue to live in Rock Hole, and rather than moving out to Prospect and paying \$36,000 for a lot of land that you cannot grow breadfruit trees on, maybe that they continue to buy land in Rock Hole at a still affordable price.

Those are types of considerations that have to be made in any kind of planning. And like I said, I am not familiar enough about this to say that all of these exercises have been excluded. But in referring to the "WHEREAS," Mr. Speaker, I get the feeling that the Minister did take into account, and I know the people in the Planning Department, especially Mr. Carson Ebanks, who was the former Director of Planning, and Kenneth Ebanks—I know these people think about planning, not just as physical planning, but also as social and economic planning or issues as well.

And in the "WHEREAS," I get the feeling that somehow, at the bottom of what is being said here, is the attempt to give us guidelines that will not only manage the physical allocation and labelling of land and land spaces, but also give us a particular guideline as to what type of economic activities should be or could be pursued in certain areas.

So again, my point is not to condemn what has been done so far. I must commend it to a certain extent, but to say that we have to get down to the question of asking ourselves, where is this country going? Where is this country going economically, if land and our use of land have to do with economics? How much of this economics can be controlled by Caymanians, if that is desirable or if that is not desirable?

And Mr. Speaker, as we go along, we will find out also that zoning will probably influence what type of stamp duties are paid. Those again are questions. So I call this "Zone A" and he pays more, and he calls this "Zone B" and he pays a little less, depending upon how it is zoned.

But the mere fact of us having to consider zoning, is almost primitive, because it is not the real question of whether or not this is agricultural, this is industrial, this is this and this is that. The labelling of these things is not essentially the question. What is essentially the question is use. Who has access to these lands? Are we, at the

end of the day, going to say that the mangrove is important in the long term, but in the short term, what is important is our cash flow, is how our balances look, is how our stamp duty transfer collection looks? So sometimes, in fact, what we do is compromise for short-term results, we compromise long-term goals.

I believe that a rightful development plan must take into account the question of land ownership by Caymanian people. Land ownership, not to build condominiums, but land ownership at least to build homes. So somehow, if I could be told how these considerations have been made in the summing-up by the Minister, I should be very grateful. But in his exercise here, he says, this plan has been prepared for the purpose of regulating the development and use of land in the Cayman Islands, and applies to all the Cayman Islands, except Cayman Brac, which again in this situation, comes under a different concept or a different strategy, and rightfully so. We need to have a specific strategy, we need to have that specific strategy identified, and that specific strategy must take into account the number of people in this country who are going to be without land, the number of people in this country who no longer will inherit lands from their fathers, and who will not be able to buy lands in this country because the price of land will not be determined by local demand, but by international demand. That is where I am talking about economics and its relation to the social and political structure. All of this must be thought out. I must be persuaded that all these considerations have been duly thought out in this whole exercise process, otherwise this Plan is not going to be useful to us for very long.

Every year, when we see children graduating from high school, we see that they are born indebted, in fact. Once their parents remove their active support from the children, we see that in fact the children are indebted. They have to go to the bank to borrow money to buy a car. They have to save a certain amount of money to put on a deposit for an apartment. So the person actually coming into the world in the Cayman Islands is drastically different from the person who came into the world in the Cayman Islands in 1977, when most of us owned land. My father inherited land. I am not going to inherit anything that I do not work for!

My grandfather had about twenty kids, and every single one of them inherited a substantial portion of land! Therefore, their desire was not to own; their desire was to sell. My desire is not to see our people sell, but for our people to own. Those are two basically different philosophies that should be expressed in any consideration of the physical development of the Cayman Islands.

The physical and material development of these Islands must take into account the real aspirations of the people. The real aspirations of the people, the undercurrents I feel, the real aspirations of the people, the people are saying, How can we acquire land? How can I get a piece of land? People are coming to me and saying, if I had a little piece of land, Frank, I could even build a little house there.

Again we have Planning Regulations to such an extent that they stimulate a lifestyle that a lot of people are

not able to afford at the moment. They are not being able to stay with the standard, because the standard is becoming too expensive to afford. Therefore we have people dropping behind in greater and greater and greater numbers, until we will have the "have-nots" who have no land on one side, the "haves" who have land, on the other side. And the "have-nots" will be the Caymanians, and the "haves" will be people who could afford it from someplace else.

We have to have a development plan that actively pursues a solution to the question of land ownership in this country. It is a very relevant question. And although we have been capable of passing on land ownership from one generation to the next, at least since 1832, this country has been unique in that. People in this country have owned land, and it has conditioned their personalities and it has made the social and political atmosphere in this country different than in any other place because of land.

Land is at the centre of our personalities. Land is at the centre of our progress. Land will be, if we do not manage it properly, at the centre of our demise.

Mr. Speaker, we must take into consideration, in addition to this, the aspirations of the people to acquire land, and to be considered members of the society. Without that, it will be difficult. And one knows too well that the Minister for Community Development, Youth and Women's Affairs pursued a policy of guaranteeing mortgage loans to people based on the philosophy that the ownership of a home, which means also a piece of land, would cause people to take more responsibility for their society. They would be better citizens if they owned something.

So in our Development Plan, Mr. Speaker, we must not only talk about selling and what people can build once we have sold them this, we must talk about ownership; and we must not just talk about foreigners owning, we must also talk about Caymanians being able to own. I believe it is high time in this country for at least certain areas of this country to be set aside, and that we restrict foreign economic ownership and activity in these areas. These areas, like native reserves in America and in Canada, should be reserved for Caymanians, so we can at least manage the prices of land in this area; so that we will not be, at the end of the day, caught with a situation where this is the most desired country in the world, but to get in here you have to have at least a million dollars.

When the day comes when the Caymanian cannot start in to the social structure, start in to the economic structure without a few hundreds of thousands of dollars, it will become a very dark day for us, a very difficult day for us. We must give and must reserve the rights of our people to have access to land, and this must be spelt out in any sensible development plan. I know that we would like to run a *laissez faire* economy here, and I am an advocate of free trade, but we must understand the unique role which land plays, and which land will continue to play in balancing our social and political structure. And for this reason, Mr. Speaker, it makes good sense to give that additional thought. Thank you.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden Mr. Speaker, it is clear that over the years many efforts by many seemingly well-meaning persons have gone into the construction of the Development Plan that is being discussed in this Honourable House at this time, and many attempts have been made, and perhaps will continue to be made, to poll and seek input from persons from the various walks of life in the Cayman Islands, so to speak. But I must say also that if the intention, and if the extent of this Plan, is mainly to regulate physical development without any scope or thought given to a concomitant social and economic development, then all the efforts made over the years will be futile, and will soon be obsolete.

For to view the matter solely as physical development is to be courting disaster by taking the narrowest of approaches. Mr. Speaker, it has been said many times by persons much wiser than I, that land is the source of all wealth, and if the development is such that for whatever reason, advertent or inadvertent, it precludes a certain sector or certain sectors from participating in the economic development, then we run the risk of creating an imbalance in the society, an imbalance which is fraught with danger.

I know very well the risk of advocating certain things, because I remember only too well in 1978, I was so unwise as to make certain suggestions, and Mr. Speaker, I am still paying for that sin which was visited upon me by some persons present in this Assembly at this time.

But I contend, Mr. Speaker, that history will bear out that if any development takes place in such a way that those sectors, for whatever reason, believe they have no hope, then perhaps my bones may be bleached, but someone will realise that a serious folly has been committed.

I do not know if there is any easy way. Because when young people come to me expressing the frustrations that I have heard other Honourable Members claim have been expressed to them, I tell them, it seems that we are on a treadmill from which we cannot descend easily. Unfortunately, Mr. Speaker, that is not a palatable enough excuse to satisfy someone who expresses frustration that they can never afford a house lot because they can never get themselves in a position where they are sufficiently free of financial obligations to pay cash, and oftentimes, not even to afford the requisite down payments.

It is a situation, Mr. Speaker, that I appreciate the efforts which have been made to redress by arriving at this Development Plan. But I say, as we stand poised on the eve of the twenty-first century, and we have a physical Development Plan, let us, when we are so convinced that this Plan is workable, use that Plan as a stepping-stone to craft some more sophisticated mechanisms so that we take up along with us as many elements of our population as we can, so that all and sundry can share, to some extent, in our development.

I realise too, Mr. Speaker, that countries with far more sophisticated machinery and bureaucracies than we have, have taken years to effect physical development plans, and also that such plans are not without their points of contention and controversy. And I say that to say that it was not the suggestion, as far as I ascertained from my listening, that this Plan is a finality. I welcome the thought and the suggestion that this Plan is a base from which preparation is made for constant review, and that we may continue.

I believe that there is reason, in spite of all the problems, to be optimistic, and I also believe that if we are sincere, this Plan is a beginning. But we have to be prepared, after we get it into operation, to take it at the next stage. And to that extent, Mr. Speaker, I am prepared to do whatever a lowly, castigated and humble Backbencher like myself can do to promote an understanding, and to help in this instance, because I believe it is an honourable and worthy cause. Thank you.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson Thank you, Mr. Speaker. I quite honestly had no intention of speaking on this, because as a former Member of Executive Council who was involved with it, I well appreciate the tremendous amount of work that has been put into this, and I think that the Honourable Minister moving this (even though I do not often find a good reason to do this) must be commended for moving this ahead and bringing it to this Honourable House.

I say this, Mr. Speaker, because I am aware that the Development Plan has been a very sensitive issue over the years. So much so that provision is made in the substantive Development Law that a revision should have been undertaken every five years. No revision of this Law or Plan was undertaken since 1977 until it was commissioned back in 1991 by the Government of the day. And, Mr. Speaker, I am happy to see that the successive Government has carried this through to completion.

We have heard comments made, and some very valid comments, as regards the definition that should be applied to this Plan and how it will work. But Mr. Speaker, even though I hate to give too much credit sometimes, because it could appear as if I am changing my position here, I must say that the architects of this Plan did in fact clarify much of the queries raised this afternoon.

To start with, it is quite clear, even on the front page of the Development Plan 1997 that this Plan is strictly for the zoning and physical development, and they have here "the Cayman Islands," but in fact the specific Plan is for Grand Cayman. And I believe the Honourable Member did in fact correct this in his introduction.

There are several types of plans, but the two major plans for our country would have to be the physical development plan and the economic development plan. I believe, Mr. Speaker, that it is difficult to separate one from the other. They are very much interlaced, interrelated, and one forms an integral part of the other.

If we look under the assignments of subjects, it is quite clear to see that the officer with responsibility for the economic development plan of this country would have to be the Third Official Member. I believe, when we look at the Objectives of the Development Plan, it makes it abundantly clear that the physical Development Plan must work hand-in-glove with the economic development plan. I will also be demonstrating this particular point without debating the Budget, but making reference to the impact that real estate and the physical part of our development, that is land use, has had on the economic development of this country.

The Objectives, state: "**The general aim of the plan is to maintain and enhance the quality of life in the Cayman Islands by effectively directing development so as to safeguard the economic, cultural, social and general welfare of the people, and subject thereto the environment.**" That is a primary Objective, Mr. Speaker. But a secondary Objective of the planning statement is "**to provide for and encourage better co-ordination and co-operation among interested entities, be they private or public.**"

Mr. Speaker, there are also policies put in place under this strategy that will be used, which collectively are intended to achieve the objectives which are summarised under certain strategies contained in the Plan.

As was mentioned by previous speakers, Mr. Speaker, this is just, indeed, a beginning. I think the Third Elected Member for Bodden Town made that quite clear, and there is still much to be done, but it is indeed a beginning. As I mentioned earlier, successive Governments have shied away from the very unpopular role of bringing a Development Plan to this Honourable House. To show, Mr. Speaker, the interrelation of the physical development plan with the economic development plan, reference has only to be made to the major contribution that land use and land sales make to the economic well-being of this country.

By extension, Mr. Speaker, it can be said that when money goes into the economy, it has a trickle-down effect, that has a direct benefit on all our people. The value of land transferred as at August 1997 was almost \$200 million. And, Mr. Speaker, this was something like \$15 million more than the year before. With this sort of an input into the economy, not only are the real estate people benefiting directly, but indeed, the whole country benefits from this input into the economy.

I take and share the view with the previous speaker that some kind of a control must be exercised. But we would be tearing down the same economy we are trying to build up if we do not encourage the *laissez faire* system within our economy that has brought us thus far. The only way we could guarantee that certain lands are protected from that *laissez faire* system is if we put mandatory controls on those properties.

As long as you have a willing seller and a willing buyer within our economy, you will find that there will be buying and selling of land by a wide cross-section of our community, be they the poor people or the richer people,

and it will be very difficult for any Government to control that type of economic activity.

Mr. Speaker, another area I want to touch on is the question of the map we have showing the divisions of properties within Grand Cayman. And Mr. Speaker, this is something that can be corrected, but it is rather confusing when one looks at the map, and the key or legend to the map, to see that they hardly correspond. One only has to look, for instance, at "Low density residential," which is in a solid yellow, and you will see that not only do we have a solid yellow on the map, but we have yellow streaks, yellow marks, and it is confusing exactly what that applies to.

I believe that the Honourable Minister presenting it will no doubt clarify this particular point. Mr. Speaker, the Honourable Minister has mentioned from across the way that those with the streaks are indeed changes that were made. Perhaps this could be indicated somewhere on the map for the benefit of the public. But one taking up the map, looking at it as it is, it is rather confusing.

But as I said, Mr. Speaker, it is indeed a beginning, and there are much improvements that will have to be made as we progress. I see a note here, Mr. Speaker, below the legend, that the striped colours denote areas of a zone reclassification. I am not sure what those reclassifications are, but the note is there, Mr. Speaker.

But this is not to criticise, because as I have well acknowledged, this has been a very sensitive and time-consuming exercise, and the mover of this motion is to be commended for undertaking this at this time. I also know, Mr. Speaker, that it has gone through a number of tribunals, and that in fact this is perhaps the fourth or fifth draft since the exercise started.

Mr. Speaker, I support this motion, and would ask that other Members do so likewise, with the understanding that it is a beginning, but what I consider a beginning in the right direction. Thank you, Mr. Speaker.

The Speaker: Would this be a convenient time to take our afternoon break? We will suspend for fifteen minutes.

PROCEEDINGS SUSPENDED AT 3:31 PM

PROCEEDINGS RESUMED AT 4:31 PM

The Speaker: Please be seated. Proceedings are resumed. We have now reached 4.30 PM; I would entertain a motion. The Honourable Minister for Education, Aviation and Planning.

SUSPENSION OF STANDING ORDER 10(2)

Hon. Truman M. Boddén: Mr. Speaker, it is the wish of the House that we continue as we are nearly to the end of these two motions, because they are similar, and I would therefore move that we suspend Standing Order 10(2) to do so, Sir.

The Speaker: The question is, should we suspend Standing Orders in order to finish the business on the

Order Paper? Those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it.

AGREED: STANDING ORDER 10(2) SUSPENDED.

The Speaker: Does any other Member wish to speak? The First Elected Member for West Bay.

Mr. W. McKeeva Bush: Mr. Speaker, I rise to support the motion before us. I understand what the Plan is all about. It is a zoning plan, and to have reached this far with it is a credit to the Ministry and all those involved with the process. Mr. Speaker, I understand that the Plan in 1977 was supposed then to have been temporary, but successive Governments did not come to grips with it.

This could be, because the Islands are made up of such an independent people, so independent that at times, there are those who refuse to have anyone tell them what to do. We all say, if we own a piece of land, or a business of any kind, no one must tell us what to do with it. And we have all been guilty of not wanting or accepting the process of planning. It seems to me, what exists in the country, was a desire for loose arrangements, which left most people to do what they wished with their businesses, be it a property or otherwise.

Today, having come this far in our development, the Cayman Islands need this Plan and the national Development Plan spoken about by several Members. Several Members, Mr. Speaker, referred to planning nationally, or national development plans. However, Sir, national development plans or planning for national development, means greater tests, means greater sacrifice. It means national discipline.

For instance, either we need a vastly expanded road network, or a reduction in the growth of the number of road users. Either a very large increase in the expenditure of funds for roads, or a reduction in the number of cars imported. This is the kind of national discipline I am referring to. The question is, when do we get to that kind of planning process or stage? And when we get there, will we all be willing to put forward or agree if someone else puts forward these kinds of cures.

Nobody is going to give anything, especially when it comes to land. For those that have any property, it is either their investment or their heritage, and everybody guards it carefully. Mr. Speaker, to ask for national plans, development plans, would entail such things as sites for public buildings, and such things as proposed public beaches, and in any kind of sensible national development plan, you will have time-frames for acquisition and actual development of those sites or properties.

These then will entail large sums of expenditure on the part of a national development plan. Yes, national development plans, but it also means national discipline. The social development aspect, which must come with the kind of plan talked about by some Members already,

must deal with growth policy with regard to population. This will deal with permits, for instance, and you know what a touchy subject that is on both sides of the fence. For those persons who do not understand what a business needs, and those who have the business, which also relates to housing, and the ability of people to provide for it, and perhaps the role Government can play in housing assistance.

We have done some work on this, Mr. Speaker, in the last Budget when we gave consideration to people who purchase land in the area of \$30,000 and who purchase homes for \$100,000 or in that area. But national development planning will have to take these kinds of things into consideration, and it means national discipline.

You are not going to be able to come into the Legislative Assembly and say one thing, or catch a Minister in the corner and say one thing, and then go on national television and say something else. It is going to mean discipline, straightforward thinking, for the public to accept it, for the public to feel part of it. I am all for that, because I believe we have reached the time that the public will accept some of these cures talked about.

The Development Plan 1997, Mr. Speaker, deals briefly with many considerations. It deals with some population trends, some land availability, ecology, fresh water supplies, sewerage and sewage disposal. Mr. Speaker, the country right now is in that stage of development where we must pay attention to these things. But again, are we going to have the national will ourselves as legislators to go out there and encourage the kind of national discipline that comes with it?

I support the motion, Mr. Speaker, and again thank the Minister and all concerned for getting this far.

The Speaker: Does any other Member wish to speak? The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr Thank you. Mr. Speaker, let me add my congratulations to the Minister responsible for Planning, for having the courage to bring this Plan before the Legislative Assembly for approval. Because, Mr. Speaker, I am aware that, since 1976, this is a national issue that no successive Government wanted to attack. But it is impossible for a country to continue to develop without a proper national development plan.

I also agree, Mr. Speaker, with the process to which these proposals we have before us were subjected. I recall that there was a main committee pulled together, that consisted of representatives, civil servants, and the members of the general public, in order to look at the process, to look at the proposals, and to offer input. I also recall, Mr. Speaker, that the process went from district to district, meeting with the people, taking their input, and making whatever adjustments were necessary to the Plan.

I believe that this is the right approach, and that the people should have an opportunity to say exactly how they feel about certain proposals, because, Mr. Speaker, I learned a long time ago that we do not know everything. The other thing I learned is that if you keep your mouth shut long enough, you might learn something from somebody else.

And I believe as a result of the process this issue took, we got input from a wide cross-section of persons, and I also agree, Mr. Speaker, that with regard to the other three proposals that were not a part of the Plan, input should also be invited and welcomed with respect to roads, etc.

So Mr. Speaker, I do support this issue. I want to congratulate the Minister, his staff, and all those persons who were instrumental in providing for us what we have before us this evening, that we call the Development Plan 1997. Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? If no other Member wishes to speak, would the Mover wish to reply? The Honourable Minister for Aviation.

Hon. Truman M. Bodden: Thank you, Mr. Speaker. I would like to thank all the Members who spoke, who all supported this, and I take the points made by the Third and the Fourth Elected Members for George Town, as well as my colleagues, the First and Third Elected Members from West Bay. The Development Plan is, quite rightly, a zoning and physical development plan.

There are several other plans we have now in place, such as the Drugs, Tourism, Agriculture plan, the plan for the Port, for the schools, for the medical, and all of these will ultimately, I assume, be pulled together under one plan. I would like to thank Members very much for supporting this, and I must say, it is quite a relief because I was not too sure, since it has destroyed a lot of politicians over the past twenty years, exactly what the position would be. But I really thank Members, I sincerely do.

The Speaker: I shall now put the question. Will those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it.

AGREED: GOVERNMENT MOTION NO. 11/97 PASSED.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

GOVERNMENT MOTION NO. 12/97

DRAFT DEVELOPMENT AND PLANNING (AMENDMENT) (NO. 3) REGULATIONS, 1997

Hon. Truman M. Bodden Mr. Speaker, this states as follows, Sir:

“WHEREAS these amending Regulations are complementary to the Development Plan 1997, now therefore be it resolved that pursuant to section 38 of the Development and Planning Law 1995 Revision, this Honourable House hereby approves the attached draft Development and Planning Amendment (No. 3) Regulations 1997.”

I so move, Sir.

The Speaker: Government Motion Number 12 of 1997 has been duly moved. Does the Member wish to speak to it?

Hon. Truman M. Boddén: Mr. Speaker, this is complementary, as it says, to the Development Plan. It is an integral part of it. What I have said in relation to that, Sir, applies to this, and what other Members as well have said on the other motion obviously does apply to this. I chose to put it in two motions; it really could have been put in one. Thank you, Sir.

The Speaker: Does any other Member wish to speak to the motion? If not, does the Mover wish to reply?

If not, I shall put the question that Government Motion Number 12 of 1997, Draft Development and Planning Amendment (No. 3) Regulations 1997, be passed. Those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it.

AGREED: GOVERNMENT MOTION NO. 12/97 PASSED.

The Speaker: That concludes the business on the Order Paper for today. I will entertain a motion for the adjournment.

ADJOURNMENT

Hon. Truman M. Boddén: Mr. Speaker, I am happy to move that this Honourable House do now adjourn until next week, Wednesday the 12th at 10.00 AM.

The Speaker: The question is that this House do now adjourn until Wednesday, November 12th. Those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it. The House stands adjourned until November 12th at 10.00 AM.

AT 4.54 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM WEDNESDAY, 12TH NOVEMBER, 1997.

**EDITED
WEDNESDAY
12TH NOVEMBER, 1997
10.15 AM**

The Speaker: Prayers by the Third Elected Member for West Bay.

PRAYERS

Mr. John D. Jefferson, Jr: Let us Pray.

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

Bless our Sovereign Lady Queen Elizabeth II, the Queen Mother, Philip Duke of Edinburgh, Charles Prince of Wales, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings in the Legislative Assembly are resumed.

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

Students from North Side Primary School

The Speaker: I would like to recognise the students in the gallery from the North Side Primary School, grades 4 and 5. We welcome you.

Item number 2, Questions to Honourable Members/Ministers. Question No. 151 is standing in the name of the Third Elected Member for Bodden Town.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

QUESTION NO. 151

No. 151: Mr. Roy Bodden asked the Honourable Minister for Education, Aviation and Planning how many teachers' aides are employed at the Savannah Primary School.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: One teacher's aide or support assistant is employed at the Savannah Primary School.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Minister say if at any time within the last three years there was more than one teacher's aide employed at this school?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: (I have been instructed) Not to my knowledge.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister say what the role and function of this teacher's aide is?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Perhaps I should just explain the position there. Last year there was one physically challenged child, a boy, in year two. This year there is an additional child in year one. Both of the children have cerebral palsy and are in wheelchairs. The support assistant usually spends the first half of the day with the little girl in year one. Typically she used to take her from her seat to wherever necessary (say, to the bathroom), see that she is properly seated in a chair and she also assists that child with mobility exercises. In the afternoon she works with the boy in year three.

In addition to the support assistant, a parent volunteer works half a day and assists, as do teachers. In the

case of the year three boy, students assist in moving the wheelchair. Physical Therapists from the Lighthouse School worked with the two teachers and support assistants for the first six weeks to ensure a smooth transition to the school.

The Therapists from the Lighthouse School have provided training to the teachers at Savannah Primary in how to deal with the children and how to properly lift them, etcetera, from the chairs. The school is equipped with ramps for wheelchairs, although there is no paved walkway between the new block and the rest of the school.

One of the students has a computer and does work on it. The year one student will also be provided with a computer. At this stage, I am instructed that this is working well. There are obviously further things that can be done. I think it is important, and this is perhaps even more important in getting the Lighthouse School near to a Government primary school, because this is an example of how children who have progressed to a certain stage at the Lighthouse School can then move into a normal primary school and really get the assistance and support that they need to lead as normal a life as possible.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Minister say if in this case there is any monitoring, or assessment, to find out how the situation might be improved?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: With these children this is under constant assessment. I give the undertaking that, not only for these two children but for all children who are specially challenged, we will do everything we can to make them feel as normal within the school as we possibly can.

The Speaker: If there are no further supplementaries, the next question is No. 152, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 152

No. 152: Mr. Roy Bodden asked the Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation what modifications to the original plan have been made to date on the new Health Service complex in George Town.

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: The following modifications to the original plan have been, or will be, implemented:

- (i) structural alterations to the building foundations to accommodate the varied and unanticipated sub soil condition found throughout the hospital site;
- (ii) relocation of the In-patient Psychiatric Unit to larger quarters in an existing building to be remodelled;
- (iii) minor alterations to the floor plan layouts of General Ward, Paediatrics, Morgue and Casualty Areas to enhance the day-to-day operation and flow of these units;
- (iv) addition of a roof over the open atrium at the front entrance and a covered walkway beside the Materials Management Building to protect the public from inclement weather;
- (v) addition of an automatic door opener at the front entrance to accommodate the needs of handicapped patients;
- (vi) upgrading of the exterior glass windows and doors to the very latest hurricane standards to maximise patient safety;
- (vii) addition of a pressurised nitrogen system in the Operating Theatres for pneumatic tool usage.

I am pleased to say that the project continues to be on time and within budget.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: The Minister said that these alterations were of such a nature that they do not affect the budget of the hospital. Can the Honourable Minister say if these alterations were of such a minor nature that they did not incur any additional cost?

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: No, Mr. Speaker, that is not exactly what I said or meant. Earlier, in an answer to a Parliamentary Question, I mentioned that I did increase the contingency which most of these, or all of these things will be covered under.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Can the Honourable Minister say whether or not the morgue will be open this month as he had previously stated in the Legislative Assembly?

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Yes, everything is just about ready to go and once they are ready to move in there, it is ready.

The Speaker: If there are no further supplementaries, the next question is No. 153, standing in the name of the Second Elected Member for Bodden Town.

QUESTION NO. 153

No. 153: Miss Heather D. Bodden asked the Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation to say if the Counselling Room at the Bodden Town District Clinic is being used by people seeking help and how often is it being used.

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony Eden: Yes, the Counselling Room at the Bodden Town District Health Centre is being by people seeking help and it is used on an average once every two weeks.

Some individuals who attend the Bodden Town District Health Centre are also receiving help from programmes at the Cayman Counselling Centre. These people would not have been referred to the Cayman Counselling Centre if they had not first come to the Health Centre seeking help.

Literature and educational videos on Substance Abuse are made available to the people of Bodden Town through the Health Centre. I must add that the other district centres now have this capability. In addition, Cayman Counselling Centre staff members converse with the medical staff of the Health Centre answering questions and providing information on Substance Abuse and related issues.

SUPPLEMENTARIES

The Speaker: The Second Elected Member for Bodden Town.

Miss Heather D. Bodden: Can the Honourable Minister say if he expects to see an increase in the number of people seeking help through the district clinics for their substance abuse problems?

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Yes, we certainly expect to see a significant increase in the number of people seeking help in the health centres as the public becomes more aware of the service available. You probably noticed in recent times the constant awareness in the press and television of the available services and also of the open-

ing of the new health centres in each district. We feel that this can become an integral part of bringing services direct to the communities.

The Speaker: The Member for North Side.

Mrs. Edna M. Moyle: Would the Honourable Minister state what the hours are for this counselling at the district clinics?

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: I do not have the specific times right now. But I will undertake to provide them. Normally, people can go there during the day, and it is envisaged that in the evenings. . . as we all remember in the opening of the centres, there is a door that locks off the main functions of the clinic from the counselling centre. So it will also be available in the evenings.

The Speaker: If there are no further supplementaries, question No. 154 is standing in the name of the Fourth Elected Member for George Town.

QUESTION NO. 154

No. 154: Dr. Frank McField asked the Honourable Minister for Tourism, Commerce and Transport whether any hotel has gone on, or intends to go on the Internet or World-wide Web to advertise jobs available in these Islands.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: The five major hotels were polled and only one indicated that it has advertised local jobs on its corporate web site. The others indicated that they do not intend to advertise jobs through this medium in the future.

SUPPLEMENTARIES

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: I would just like to thank the Honourable Minister for providing me with that information.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister state if the one hotel that indicated that it had advertised local jobs on its corporate web site indicated that it would continue to do so?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: I am unable to answer that question at the moment. I undertake to give the First Elected Member for George Town the answer in writing.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Understanding the Minister's inability to answer that question, I just ask the Minister, if he intends to find that out, if he would also investigate whether it is confirmed that the positions advertised cannot be filled locally.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: I would expect that wherever it is advertised it still has to have Immigration approval. But I will follow up his request.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I understand the procedure, but the Minister must also understand that sometimes that is questionable at best.

The Speaker: Are there any further supplementaries? If not, the next question is No. 155, standing in the name of the Fourth Elected Member for George Town.

QUESTION NO. 155

No. 155: Dr. Frank McField asked the Honourable Minister for Tourism, Commerce and Transport to specify how many Caymanians hold managerial positions within major hotels providing details on each hotel and positions individually.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: There are 42 Caymanians holding managerial positions in the licensed hotels in the Cayman Islands. A list of the hotels showing the number of Caymanians versus non-Caymanians in managerial positions is attached.

Number of Caymanians in Senior Managerial positions:

Hotel	Caymanian	Non-Caymanian
Beach Club Colony	0	5
Grand Pavilion Hotel	6	5
Holiday Inn	7	4
Hyatt Regency	3	18
Indies Suites	3	1
John Silver's Inn	1	1
Marriott Hotel	3	5
Morritt's Tortuga Club & Resort	3	11
Sleep Inn Hotel	3	0

Hotel	Caymanian	Non-Caymanian
Spanish Bay Reef Resort	0	4
Sunset House	1	2
Treasure Island Resort	2	5
Westin Casuarina Resort	0	7
Brac Caribbean Village	2	1
La Esperanza	2	1
Divi Tiara Beach Resort	3	3
Little Cayman Beach Resort	1	1
Paradise Villas	0	1
Pirates Point Resort	1	2
Southern Cross Club	0	3
Brac Reef Beach Resort	1	3
Totals:	42	83

SUPPLEMENTARIES

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: If possible, can the Honourable Minister comment on the type of salary the average Caymanian manager receives at some of these major hotels?

The Speaker: I think that is outside the scope of the substantive question, but if the Honourable Minister wishes to answer, he may. The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: I do not have that information available at the present time.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: If I ask a question of the Minister and he provides me with a list of positions, somehow I think that, having gone through that exercise, he might have been able to somehow come across what these people are being paid, as position is related to salary.

The Speaker: If you want that information, you should put that down as a substantive question. Are there any further supplementaries?

The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Seeing as the ratio of non-Caymanian professionals in managerial positions to Caymanians is two to one, can the Minister state if there is any thrust by the Ministry, or any plans by the Ministry to try and change this ratio by way of incentives to train Caymanians for such positions?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: It was about two years ago that we established the first fully funded tourism scholar-

ship for a local Caymanian to pursue higher education in the United States. At the present time we have two studying hotel management—one at the University of South Florida and the other at Cornell. We are certainly using our influence with the hotels to continue to train Caymanians who are with their organisations. I know that in one particular instance a young Caymanian is being sent overseas to be trained, or to gain further experience, in human resource management.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: I wonder if the Honourable Minister would say if, in using his influence, it would be possible for him to look into the wages these managers are receiving? In terms of creating incentives, it appears that the qualification might be one issue, but the rewards another issue. A lot of people seem to think that they can make more money working in the condominiums as managers, than in the hotels as managers.

If I may be allowed to rephrase the question, can the Honourable Minister say whether or not in his day-to-day dealings with these issues the question of salaries for managers is not an important issue?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Obviously, salary is a major issue in just about every job. I give the Fourth Elected Member for George Town my word that I will continue to use my influence in the direction he has stated.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: In a follow-up to the supplementary I asked regarding the ratio of non-Caymanians to Caymanians, in the answer the Minister gave he indicated that there were two Caymanians on scholarships. My understanding is that there is a scholarship which is fully funded and available once a year to Caymanians. I am sure the Minister realises, while this is certainly encouraging to hear, that it will not change that ratio much in the future if left alone. Also, he mentioned that he knew of one instance where a Caymanian was being sent abroad by one of the hotels for further training. While appreciating all of this, the point I wish to make to the Minister is that I feel it is more than important that the hotels are led down the right path. So I am going to be asking the Minister if he would try to ensure that beyond influence (I do not think that is important), if some type of situation could arise where the Ministry could liaise with these hotels to set up some type of programme that is tangible where the results will be seen in a short time.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: In my answer given earlier, in relation to this ratio of non-Caymanians to Caymanians in managerial positions in the hotels, I referred to two specific cases of scholarships funded by the Ministry of Tourism. However, I failed to mention many young people on scholarships from the Education Council. I am aware that the figure could be as high as ten. So, I would go on to say that it is certainly the Ministry's intention, and we have various training workshops on an annual basis within the hospitality industry, to provide young people and others with the kinds of skills required to cause the Cayman Islands to continue to be a quality destination. But we have to remember that there is a cross-over here—I am the Minister for Tourism. I am not the Minister for Labour. I need to be in liaison with the Minister for Labour in order to address some of the questions posed today.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I do appreciate the Minister's answer, but the fact is that there is one Government regardless of how many different departments. So I just ask that a liaison happen.

The Speaker: The Member for North Side.

Mrs. Edna M. Moyle: Of the 21 hotels listed here there are only five who have no Caymanians employed in managerial positions. I wonder if the Honourable Minister could say if any reasons were given why these hotels were unable to have Caymanians in managerial positions as I notice that some of these with no Caymanians in managerial positions are some of the oldest hotels in these islands?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: I would not care to speculate in this particular case, but I will undertake to have the information and then provide it to the lady Member for North Side in writing.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: The Honourable Minister mentioned some of the incentives that Government has put in place to encourage Caymanians to go into management in the hotel industry. I wonder if he is aware of any such programmes in place at the major hotels to encourage and train Caymanians to go into management in this area?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: I am aware that the Cayman Islands Hotel and Condo Association does put on

training courses from time to time and I am aware that some of the hotels put on training courses from time to time. I am not *au fait* at this moment with the total extent of that training or the quantum in terms of numbers. The Community College of the Cayman Islands also puts on training in the hospitality industry.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: I was specifically asking if there were any scholarships offered by the hotels for young Caymanians who want to go into the hotel industry and move into management.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: There are scholarships given by some of the hotels from time to time. I know of at least two individuals who have been sponsored recently by one of the hotels here.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: In putting this matter to rest (and I know it is hard when we have such a fragmented concept of Government where one person is responsible for what the other person is not responsible for) I would like to ask the Minister to seriously undertake the reason why the Beach Club Colony and Spanish Bay Reef, which I understand are owned by the same person, do not have or attempt to have Caymanians in managerial positions.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: I could be mistaken, but I think the lady Member for North Side asked the same question and I undertook then to gather the information and provide the answer. When I do have it, I will be quite willing to pass it along to the Fourth Elected Member for George Town.

The Speaker: If there are no further supplementaries, the next question is No. 156, standing in the name of the Third Elected Member for George Town.

QUESTION NO. 156

No. 156: Mr. Linford A. Pierson asked the Honourable Minister for Agriculture, Environment, Communications and Works to state the current status of the proposed Dolphin Tourist Attraction project.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: The Board of Directors of the Cayman Turtle Farm, at a recent meeting, took the decision to put the proposal on hold.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I wonder if this answer is intended to give the impression that this whole matter may be brought up again in the near future? Is "being put on hold" temporary?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: If the Board of Directors wishes to have it back on the agenda, it will definitely be back on the agenda.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister state the reason why the proposal was put on hold?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: No, Sir.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Minister state whether he does not know the reason, or he does not care to answer the question?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: As Chairman of the Board of the Cayman Turtle Farm, there are certain things I can divulge on the floor of this House and others I cannot—not to say that I do not know the answer.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Having stated that he is Chairman of the Board of Directors of the Cayman Turtle Farm, the Honourable Minister is perhaps in a position to answer the following supplementary: Has he been aware of the public outcry against this project being implemented in the Cayman Islands, and, if so, has any action been taken by his Board to ensure that this project is not only put on hold but discontinued?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I have pointed out that the Board of Directors took a decision to put this on hold. Most definitely, anybody who has been reading the papers over the last few months would have seen the outcry, I would call it the outcry in the wilderness. In most cases, some of the letters and comments we have seen in the papers. . . we have never really stopped to think of their actions in selling off all of the public beach in the islands; areas where, for example, it was a known fact that turtles nested over the years, but, because of development and the greed for money, these areas no longer exist.

We could also weigh one against the other in regard to the North Sound and Stingray City. But, for whatever reason, it seems as if some people have just become completely taken up with the dolphins and instead of giving this an opportunity to come to something that could be an added attraction for the country, they have decided to take a one-sided view on it.

Yes, I have seen everything that has been in the papers and I have heard individuals directly. The Board of Directors did take a decision to put it on hold, and sensibly so, in order to look into the matter further.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister tell the House if prior to this undertaking any feasibility surveys were conducted to determine the public acceptance of such a venture?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I guess we could ask the same question about the Turtle Farm. However, today we are proud to know that the Turtle Farm is a very good tourist attraction and has provided a source of meat for the country. Of course, if one does not take chances, as far as a feasibility study is concerned, I would like to make it abundantly clear to this House and the listening public that this is not a venture for the Cayman Turtle Farm or the Cayman Islands Government. We were merely going to lease property to this company so that the project could go on here.

I will further state that this is not only something that would be happening here in Cayman. If the project had taken off, this would be something done in neighbouring islands such as Nassau, Cuba and other West Indian Islands. We have Sea World in Florida and in California, and all of these various areas that have been proven have been consulted as I understand it. Of course, feasibility studies would have to be carried out for any businessman to go forward with such a large project.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: It is not my intention to prolong the discussion on this subject, but in the substantive answer, the Honourable Minister stated that the Board of Directors of Cayman Turtle Farm at a recent meeting took the decision to put the project on hold. There must have been some reason for that. He also stated that he heard the outcry of the public against this. He said they were 'crying in the wilderness.' He also alluded to the fact that there is a problem now in the North Sound in regards to, specifically, Stingray City. My supplementary is: Considering these unsatisfactory conditions would not the Minister state that this matter should be given top priority at this stage, and not just put on hold? Or is he saying that he is ignoring the plea of the public and are they, indeed, people crying in the wilderness?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Some people may interpret things they way they want to hear it. First of all, I am not stating that there is a problem in the North Sound. What I am saying is that from day to day one could go to the North Sound and see exactly what is happening at Stingray City in regard to a similar animal.

The fact remains that the Board of Directors took the sensible decision. As I said a while ago, there were many on the radio, and if they were not on the radio they were in the papers, making noise about what was happening with the dolphins and it was all something that should not have happened because the fact remains that no decision was taken by the Board of Directors and if we were not giving the public a chance to have their input, and for the Board of Directors to have further input into it, we would not have put it on hold. So, I think it was a very sensible decision for us to put it on hold so that the matter could be looked into further.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I hate to have to be going on about this, but this is a very important issue, too important to be swept under the carpet by an answer saying that the decision was to put the proposal on hold. I wonder if the Honourable Minister could say whether his Ministry has an opinion as to how this matter should go forward?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Mr. Speaker, we are all subject to opinions. My opinion, or my Ministry's opinion is not valid in this, as it is the Board of Directors who took the decision at this time.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I wonder if I can rephrase that? Since the Honourable Minister did not get the benefit of consulting with his Ministry can he state whether he had any technical advice to help him form an opinion as to how this matter should go forward?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I beg to differ with the Member who has alluded to the fact that I have not consulted with my Ministry. He knows well—he has been in charge of that Ministry—that my Permanent Secretary also sits on the Board of Directors. He knows, because he has been there before, that he has input from the Ministry as well as from myself. I think that is taking it a bit far, however as far as I am concerned, I come back to the point that the Board of Directors took a decision and it is a sensible one. Until the Board decides on something else, I will say no more on the floor of this House.

The Speaker: The First Elected Member for George Town.

SUSPENSION OF STANDING ORDER 23(7)&(8)

Mr. D. Kurt Tibbetts: It is now that magical hour, so I move that the relevant Standing Order be suspended to continue Question Time.

The Speaker: Do we have a seconder?
The Third Elected Member for Bodden Town.

Mr. Roy Bodden: I second the Motion.

The Speaker: The question is that Standing Order 23 (7) and (8) be suspended to enable Question Time to continue. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. STANDING ORDER 23(7) AND (8) SUSPENDED TO ENABLE QUESTION TIME TO CONTINUE.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: One final supplementary on question 156, having understood what the Minister said, and understanding that there is certain information which cannot be divulged on the floor of this House, may I ask the Honourable Minister if the decision taken by the Board of Directors of Cayman Turtle Farm was a decision based

on public outcry and input, or on technical advice and knowledge received?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: As I said a while ago, the Board of Directors, like all other members of the public, saw and heard various concerns from individuals in regard to the dolphins. A decision has been taken by the Board of Directors to look into this project further, and that is exactly where it stands.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I wonder if the Honourable Minister could give the undertaking that he will inform this Honourable House of any future plans for this project.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: As I pointed out a while ago, Mr. Speaker, the matter has been deferred by the Board of Directors and when they see fit it will go back on the agenda. If there is something new that the House should know, as is the custom around here, we lay the Financial Statements on the Table of the House, I will have no problem informing the House of what is taking place in regard to this project.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: As the Honourable Minister is well aware, any paper laid on the Table of this Honourable House creates history—it is something that has been done. What we are trying to seek is an undertaking that before it reaches that far, Members be consulted in one way or another that this matter has been revived, and whether or not it is the Government's intention to give it the go ahead.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: As I stated earlier, Mr. Speaker, it is a matter for the Board of Directors. If they take a decision that this will be a project that will go forward, we will definitely make normal announcements as is customary.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister inform the House why the Board in the first place took the decision to go to Mexico for this joint venture, or whether the Board of the Cayman Turtle Farm was approached by the

Mexicans? In other words, which party initiated the discussions?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Prior to my time in the Ministry, a previous Member had also investigated a similar attraction for the Turtle Farm. It is my understanding that he travelled much further than Mexico. I think he went to places in the United States and looked at a much larger project.

In the case of the project presently, it is my understanding that the first contact was made by the Mexicans to the Turtle Farm. Thereafter, talks were conducted between the Turtle Farm and the Mexicans and the proposal was then put before the Board of Directors.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Could the Honourable Minister provide details as to the extent of the negotiations that were entered into by his predecessor and give the House specific information as to what this project entailed?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I think I am in order in saying that if the Member so wishes an answer he should put down a question on the Order Paper, because it certainly does not come out of the original question.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Mr. Speaker, with all due respect, the Honourable Minister will realise that he brought the subject up, thus opening the way for supplementary questions on the matter.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Mr. Speaker, as far as I am concerned, we ask supplementaries on the original question—not supplementaries on supplementaries.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Mr. Speaker, may I have your ruling on the matter, sir?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works is correct. The supplementary question must arise out of the answer to the substantive question. That is my understanding from the time I came into this Honourable House.

If there are no further supplementaries, the next question is No. 157 standing in the name of the First Elected Member for George Town.

QUESTION NO. 157

No. 157: Mr. D. Kurt Tibbetts asked the Honourable Minister for Education, Aviation and Planning whether any teacher has been employed at the Savannah Primary School to deal with the physically challenged students attending that School.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: No additional teacher has been hired for the physically challenged students, although a support assistant is used to assist the students in getting around the school.

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I know that this question basically follows a previous question this morning, but can the Honourable Minister state if there has been any professional assessment made in regard to the needs of these two students, bearing in mind the way the situation is presently being handled?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The answer is yes, and I set out the situation in total detail before. I do not know if you wish me to repeat that, but the matter is being properly dealt with at the school.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I do not necessarily need those details repeated, but could the Honourable Minister explain what professional assessment was made and how the decision to handle the situation at present was arrived at so that we can understand exactly why it is being handled in that manner?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: They were assessed through the Lighthouse School and through the Early Intervention Programme where we have professionals. I would say that we have to be a little bit careful as to how much detail we go into here. I mention that for what it is worth.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: The Minister must understand that the reason for the line of questioning has to be based on some dissatisfaction resting someplace. Therefore, the further supplementary question I wish to ask is: Have the parents of these children been consulted, and has the situation been properly explained to them to arrive at their being satisfied with what obtains at present?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddan: I understand that the Principal has been in communication with the parents.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Minister categorically state that the Principal is satisfied with the situation that obtains?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddan: Mr. Speaker, this is getting into extremes. I do not have a crystal ball and I do not have the Principal here now (presumably she is [satisfied]), or I would have known about it. I cannot know what people are thinking. If that Honourable Member has something specific, would he please make the statement, as I know he is very candid, and let us get on with the business of the House?

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Mr. Speaker, if I knew all of the answers, I would not be standing up asking questions. I am not in a position to know the answers. I still do not have the answer, and if the Minister is unable to answer it, all he has to do is say so.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddan: I say so.

The Speaker: If there are no further supplementaries, that concludes Question Time for this morning. The next item is Government Business, Bills, Third Readings.

GOVERNMENT BUSINESS BILLS THIRD READING S

THE JUDGES' EMOLUMENTS AND ALLOWANCES BILL, 1997

The Clerk: The Judges' Emoluments and Allowances Bill, 1997.

The Speaker: The Honourable Second Official Member responsible for Legal Administration.

Hon. Richard H. Coles: Mr. Speaker, I beg to move that a Bill entitled, The Judges' Emoluments and Allowances Bill, 1997, be given a third reading and passed.

The Speaker: The question is that a Bill entitled, The Judges' Emoluments and Allowances Bill, 1997, be given a third reading and be passed. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: THE JUDGES' EMOLUMENTS AND ALLOWANCES BILL, 1997, GIVEN A THIRD READING AND PASSED.

THE ANIMALS (AMENDMENT) (PROTECTION OF AIRCRAFT) BILL, 1997

The Clerk: The Animals (Amendment) (Protection of Aircraft) Bill, 1997.

Hon. John B. McLean: Mr. Speaker, I beg to move that a Bill entitled, The Animals (Amendment) (Protection of Aircraft) Bill, 1997, be given a third reading and passed.

The Speaker: The question is that a Bill entitled, The Animals (Amendment) (Protection of Aircraft) Bill, 1997, be given a third reading and be passed. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: THE ANIMALS (AMENDMENT) (PROTECTION OF AIRCRAFT) BILL, 1997, GIVEN A THIRD READING AND PASSED.

The Speaker: Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 11.12 AM

PROCEEDINGS RESUMED AT 12.08 PM

The Speaker: Please be seated. Proceedings are resumed.

I have been advised by the Honourable Third Official Member that there are errors in the Draft Estimates ta-

bled in this House on 5th November. I have granted permission for the Honourable Member to lay on the Table corrected copies of Estimates of Revenue and Expenditures for the year ending 31 December, 1998.

The Honourable Third Official Member responsible for Finance and Economic Development.

PRESENTATION OF PAPERS AND REPORTS

AMENDED DRAFT ESTIMATES OF REVENUE AND EXPENDITURE OF THE GOVERNMENT OF THE CAY- MAN ISLANDS FOR THE YEAR 1998

Hon. George A. McCarthy: Thank you, Mr. Speaker. I should mention the need for the amended document is not based on errors, as such, but certain changes had to be made. The changes are as follows, and they fall into two categories. The first one gives recognition to the changes that have been made within the various Ministries and Portfolios, the transfer of departments that were with some Ministries to others. On page 17 of the original document, there is a figure shown under 'Recurrent and Statutory Expenditure' of \$240,374,850 as a single figure. It was felt more expedient to break this figure down and align the various components of this figure with the summary page as found in the original document and also in the revised document.

The figures have been broken down to show the recurrent portion, the element constituting the statutory elements and these are made up of contributions to pensions and also the loan repayments that will have to be made, and also the transfer to reserve funds, namely the General Reserve and the Housing Reserve fund.

The total in the document has not been changed. It remains essentially the same. This document is to be regarded as a refinement. The amounts there should line up with the summary page being shown for 1998, setting out the financial position for 1998.

At this time I will table an amended copy of the document. Thank you, Mr. Speaker.

The Speaker: So ordered.

Bills, Second Reading. Commencement of the debate on the Budget Address delivered by the Honourable Third Official Member responsible for Finance and Economic Development on Wednesday, 5th November, 1997.

The Third Elected Member for Bodden Town.

SECOND READING

THE APPROPRIATION (1998) BILL, 1997

COMMENCEMENT OF DEBATE ON THE BUDGET ADDRESS DELIVERED BY THE HONOURABLE THIRD OFFICIAL MEMBER RESPONSIBLE FOR FI- NANCE AND ECONOMIC DEVELOPMENT ON WEDNESDAY, 5TH NOVEMBER, 1997

(12.12 PM)

Mr. Roy Bodden: Thank you, Mr. Speaker.

The Budget Address delivered by the Honourable Third Official Member responsible for Finance and Economic Development on 5th November, 1997, is the Budget of the National Team Government. All persons except those who wear rose-tinted glasses have reason to be concerned with the Budget.

I realise that the Honourable Financial Secretary is but the technical advisor of the Government, and has to go by the dictates of the elected Members of Executive Council. So, I want to make it clear from the outset that my comments exclude that honourable gentleman. In many cases it strikes me that what is contained in that document goes against positions previously stated by that honourable gentleman in this House. I, therefore, hold no brief with the honourable gentleman, realising that he, as a professional, has a job to do.

I marvel at the document that has been presented to this Honourable House because it is quite obvious that there have been fundamental changes from previous years. It would have been better if these changes would have made the Budget document more understandable to the laymen upon whose interpretation of that document voting of monies for the running of this country depends. It seems to me that there has been a clear and deliberate attempt to obfuscate and make more difficult the voting of some of these monies. I am not satisfied that there has been a clear enough indication of how the people's money is going to be managed.

Before I get to that point, I want to draw a little on what I call the history of this whole departure from responsible financial management by craving your indulgence to make reference to some of the positions taken in the past by previous Financial Secretaries in their outlining of the Budgets.

As we approach the 21st Century, it becomes clear to me that the contour of national life in the Cayman Islands will depend in no small part on the ability of the National Team Government to effectively manage our monies over the next few years. That this performance does not give us reason to be optimistic is borne out by the following: In 1992 (sic) [1991], in what was an historical Budget Address, the then Financial Secretary, now the Honourable Minister for Tourism, Commerce and Transport, suggested, and I quote: **There has been a marked divergence in the growth trends between realised local revenue and actual current expenditure. . . , and that if this trend is allowed to continue unchecked, public finance would be drifting in the wrong direction.**" (*Hansard* 15th November, 1991, Volume II, page 1092)

The Financial Secretary at that time went on to underscore what has now become a most relevant point. I pause before mentioning this to make the distinction that there were those people who believed that his position and his reference at that time signalled his departure from his position as Financial Secretary. Be that as it may, he left us with a most relevant point which I quote: **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.**" (*Hansard* 15th November, 1991, Volume II, page 1093) This is a point, to which I will return later, bearing full relevance and appropriateness to my position.

In his first speech as Financial Secretary (upon taking over from the present Honourable Minister for Tourism, Commerce and Transport) the Honourable Third Official Member demonstrated his knowledge and his concern over our sensitive position when he commented on the necessity to bear a prudent course in our fiscal management, and I quote: **This means, above all, ensuring that the growth of public expenditure in real terms is in step, and remains in step with the rate of economic growth, and more importantly, with the rate of growth of local revenue. To this end, we will have to develop a credible strategy to effectively place limits on growth in public expenditure, without seriously impairing the effectiveness of public sector programmes. We cannot, and will not, achieve in one year or four years, all that we would like to achieve; therefore, we must determine priorities, order them, and make choices that are realistic and achievable. Some of these choices will be difficult and may turn out to be unpopular as well. The Government will continue to seek the hand of the people in making these choices, fully aware that a Government that walks hand-in-hand with the people will find the people walking hand-in-hand with them.**" (*Hansard* 5th March, 1993, Volume I, page 15) How sage that advice was, and is. How appropriate and beneficial it would have been for the National Team Government in determining this Budget to have taken the position of walking hand-in-hand with the people!

It is unfortunate (perhaps it is the rule of the game where it seems the winner takes all) that the people's representatives were never consulted—except, of course, out of political expediency. Other people who were rejected by the people find themselves in favourable positions where their advice can be proffered, while persons on the Backbench, like my other colleagues and I, are left out of the decision-making process; and yet, we are expected to come here and vote blindly on matters when we were never extended common courtesy . . . and now, with the modification of the document which we cannot even easily follow. It has never been the nature of the Third Elected Member for Bodden Town to be a blind follower, and in my fifth decade there is absolutely no way.

The Honourable Financial Secretary went on further and said: **In terms of resources and priorities, we**

have to cut our suit to fit our cloth." It is a pity that the National Team does not have this on a recording playing over, and over again, repeated infinitely. At a time when the private sector economy is booming, the National Team insists on competing and fuelling the economy further by carrying out a myriad of capital projects on the cause of political expediency and because they want to look good and impress the people, when they should be putting more into the general reserves of this country and getting ready for the lean times which must surely come because economic booms are cyclical.

One does not have to be Milton Friedman to understand that that is a fundamental principle of good money management. I am not surprised, Mr. Speaker, because the National Team has no clear vision of where this country is going, no clear vision of where it came from, and they lack the capability to pilot this country into the 21st Century.

I serve notice that I am going to say some hard and unpalatable things. But I have no apologies to make because everyone knows that my presence here is in spite of the National Team, not because of any help from them. I am going to call it, by Jove, as I see it! I only account to God and my constituents, in that order. So they can expect no quarter from me because I asked for none.

We have a Government which, in spite of their campaign promises, has abandoned prudent financial planning for political expediency. They cannot blame the previous Government because they are the previous Government.

Mr. Linford A. Pierson: Hear, hear!

Mr. Roy Bodden: Mr. Speaker, that there has been poor money management is borne out by a number of things not the least of which is their flaunting of the Public Finance and Audit Law by not holding regular Finance Committee meetings. I am waiting until the clean-up exercise comes to see the size of supplementary appropriations that we are going to be asked to ratify.

The present Financial Secretary had something to say on that too. Voicing his concern over this dangerous practice, in 1993 he commented thus: . . . **there may be nothing wrong at first sight . . . governing the use of supplementary appropriations. However, while supplementary appropriations are a necessary backup mechanism, and may be inevitable in many cases, reliance on, and too frequent a use of this mechanism undermines the discipline necessary to restore budgetary balance and fiscal stability.**" (*Hansard* 5th March, 1993, Volume I, page 19) Oh, if his advice had only been heeded!

The honourable gentleman goes on: **To make this point more strongly . . . reliance on supplementary appropriations not only tends to encourage fiscal indiscipline in planning and preparing budgetary submissions, but together with too frequent a use of supplementary appropriations, these practices must be considered 'concealed time bombs' that threaten restoration of budgetary balance and ultimately fiscal**

stability.” (*Hansard* 5th March, 1993, Volume I, page 19) Long may that gentleman be around! I only wish that those to whom he has to give advice would heed it.

I am left to wonder what the excuse is going to be when the National Team Government gets up to defend its budget. Perhaps the Honourable Minister for Education, Aviation and Planning, Leader of Government Business, with his degrees in credit management and administrative accounting may succeed in misleading those of us he likes to describe as ‘defunct’, into believing that he is some kind of wizard who can wave a wand.

I notice, Mr. Speaker, that when the kitchen gets hot he has to run. I wonder what line he is going to take to convince the ‘defunct,’ as he often refers to Members like myself.

I have always been a proponent of fiscal responsibility. My record in this Honourable House bears that out. I have seen the dismantling of all of the mechanisms that would allow the Government to manage its money prudently. Where is the Economic Development Unit? Where is the Manpower Planning Unit? Where is the Medium-term Financial Strategy that we have been promised so faithfully would be laid on the Table of this House so many times? It has not yet made its arrival. I wonder who is stopping it? Perhaps it will arrive before the 21st Century. I only hope it arrives before the door is closed and the doorman says ‘*Too late. If you’re not in now you can’t get in.*’

It goes further than that, Mr. Speaker. It goes to such an extent that we should realise that our management—or lack thereof—is cause for concern. I remember on the most recent trip made to the United Kingdom by the former Second Elected Member for Cayman Brac and Little Cayman, Mr. Gilbert McLean, and I, one of the issues raised by those members of the Foreign and Commonwealth Office whom we met was this whole question of financial management. While they agreed that the United Kingdom had a moral obligation, they made it crystal clear that it ended with that moral obligation and they were not prepared—as they said it would have been unheard of and would spell the death of any United Kingdom politician who proposed it—to bail out any entity in the colonies, or any colonial government that got into trouble.

I say that to say that we have to be careful. The United Kingdom’s position is borne out in the Contingent Liabilities in the Dependent Territories, the Report by the Comptroller and the Auditor General. I am sure a copy of this has been made available to you, as it exists in this Honourable House. Indeed, it is in the Clerk’s office. So, what I am saying is not coming off the top of my head, it is borne out in this. And I want to make the point, because it bears repetition: you do not need to have degrees in financial management and administrative accounting to be a good manager. All you need is to have a little common sense and the political will to exercise that capacity. So, perhaps, instead of some people flaunting what they have, and trying to put other people (like me) down—which can never happen!—what they should do is exercise the responsibility which has been entrusted to

them; because when that is not done, I am going to get on their case. As long as I am here I will be a bulldog barking. Mr. Speaker, I will bite if necessary too; and you know, Mr. Speaker, any sensible biter would have to bite the leader first!

(Members’ laughter)

Mr. Roy Bodden: It is true that many strides have been made in improving the mechanisms in this country. I am now referring specifically to the Honourable Financial Secretary’s reference to the creation of the Cayman Islands Stock Exchange, the financial legislation, recent incentives for economic development in Cayman Brac, and the establishment of the Monetary Authority.

I have to say, however, that as far as the Monetary Authority goes I am somewhat disappointed in its obvious lack of autonomy. To my mind, the Monetary Authority should have the ability to take certain actions, within reason. It strikes me now that the Monetary Authority is but an advisory body to the Executive Council and lacks the ability, the capacity and the will to take certain decisions which begs the question: Why is it necessary for the Elected Executive Council to put themselves up as some Orwellian ‘Big Brother’ watching over everything that goes on? Why can they not have the confidence to give these experts the autonomy and the ability to make the decisions based on their professionalism?

I have to pause here to inject a little humour, and I hope that the Executive Council is not like this. I had a girlfriend one time who was very jealous. I got a bit upset and went to my mother (who is my confidant) and told her about the situation. She said, “My son, take my advice. Stay far from her because it is not that she is jealous of you, it is that she cannot trust herself.” So, Mr. Speaker, I now have to pose the question: Is the reason why the Executive Council has to know everything because the Executive Council cannot trust itself? They have created a body, staffed by professionals—the best available—and yet the ability to make a decision on their own is missing.

Now, I am saying that I would like to believe that the country’s Ministers are so busy that it is not necessary for them to know every little petty occurrence. Also, one has to bring in the question of their ability—their qualifications—to understand the wider ramifications of these questions that deal with a speciality, a significant expertise in particular areas. I mean, give me a break!

No man is an island unto himself. We all have our limitations. So I do not see how the Executive Council can be in a position to have the final say on decisions taken by such a highly professionalised and competent authority. It seems to me that that handcuff weakens the capability. If we were to equate our Monetary Authority with a central bank or the Federal Reserve. . . Alan Greenspan does not have to consult Robert Rubin, or whoever the Treasury Secretary is, when he makes a decision regarding interest rates or any other relevant matter. He does not even have to consult Bill Clinton. He makes it on his professional assessment and on the advice of his technical people.

To my mind, that is the weakness of our Authority, and I would hope that we will learn from the present dilemma that we need to re-examine and recast its role and that we need to exercise confidence in the staff. Otherwise, it is an Authority with no authority.

In this country today we have a great challenge, a great dilemma. Perhaps it can be more accurately addressed as an Aegean mess that cries out for a Hercules. I am referring to this whole fiasco with the First Cayman Bank. The Financial Secretary realises the depth of this because I quote what he said: **“Government is aware that many persons are hurting as a result of the closure of First Cayman Bank, and it is continuing to monitor the situation with a view to finding a solution. However, it is recognised that open dialogue with those affected is necessary in order to arrive at a meaningful solution. I am therefore pleased to report, Mr. Speaker, that on Friday 31st October, some members of Executive Council held a meeting with representatives of the First Cayman Bank Depositors Committee and discussed a number of issues of concern to depositors.”** (Budget Address)

Mr. Speaker, it strikes me that the Government has a moral obligation to bear with these people, to explore every reasonable avenue to help these people. If what was reported in the media (and I have no reason to doubt its accuracy). . . I would have to say that the Government bears some culpability in misleading these people into thinking all was well when all was not well. I draw reference to the *Caymanian Compass* of 10th October, 1997, in which a statement attributed to the Government said that the Government was negotiating with a buyer. Then, a week later, on 17th October, 1997, the bank was ordered to close. Therefore, from where I stand, I say that the Government now has a moral obligation, those being the circumstances, to stand with these people until some modicum of relief is had.

The depositors are making their position clear, as I noticed up to a short while ago there was a demonstration. It is good that in a democracy we are allowing those affected to express their concern, even if those concerns are not always expressed in the most diplomatic language. But when people lose their money, they hurt. I suppose that that gives them some entitlement, within reason, to express that hurt. What concerns me (and I do not know of any delicate way to express this, because I have said it over and often) is the lack of sophistication in our political bureaucracy so as to eliminate conflicts of interest and insensitivity.

I have been reminded many times in this House, by persons from across the floor, that I am not successful. Well, I have taken the view that it depends upon how that success is measured. I put no faith in horses and chariots. I am not interested in accumulating wealth. I am only interested in setting a good example, in being a good beacon, in walking a clear path. Long ago I took a personal decision about certain things which I regarded as conflictual with my position as a representative of the people would not ever interest me.

Certain forms of deprivation have never been far from my life, but I can say this: Any time I lie down I have a clear conscience. I would not be so reckless and insensitive to make any statement to anyone with any loss, however insignificant, that a bank closes in the United States every day. We, in this country, have to thank God that we have the kind of political culture we do, because in some other cultures people who lose their money would not behave so civil. And to be greeted with that kind of insensitivity, Mr. Speaker. . . such persons must have the soul of a ghoul, because they could never be human. Never!

I wonder, if the situation were reversed, and it was the entities to which they are concerned, are a part of and hold offices in. . . how they would accept that if they were greeted in such a fashion when they dared to make enquires about the possibility of recouping their honest and hard-earned cash. We who hold political responsibility in this country must also realise that we are accountable, and that what goes around comes around.

Mr. Speaker, do you know what I sometimes say? The chickens have come home to roost! I may never, ever amass wealth, but I also do not possess the soul of a ghoul. I am human! And I understand what deprivation and loss is. But I will tell you this, when I walk the street I get respect, and the comments that are made behind my back, while I cannot account for all of them, whatever is said behind my back can be said in my face because I try to live my life so that no one can say that I put them down for whatever reason.

It is not often that I get self-righteous, but I think some of our leaders clearly lack understanding. I am praying for them, Mr. Speaker.

The Speaker: Would this be a convenient time to take the luncheon break?

Mr. Roy Bodden: Thank you, Sir.

The Speaker: Proceedings are suspended until 2.30 PM.

PROCEEDINGS SUSPENDED AT 12.53 PM

PROCEEDINGS RESUMED AT 2.30 PM

The Speaker: Please be seated. The Third Elected Member for Bodden Town, continuing the debate.

Mr. Roy Bodden: Thank you, Mr. Speaker.

I hope the Government has not gone too far underground, because I would really like for them to hear some of what I have remaining.

When we took the luncheon suspension, I was developing the argument that I welcomed the expressed concern by the Government and their empathy with the depositors of First Cayman Bank. I am particularly pleased to note that the Financial Secretary has suggested in his Budget that the Government is going to be looking at the introduction of measures to protect future depositors.

I am aware that the United States has a corporation called the FDIC, which is an arm of the Federal Government. I do not know, because the Financial Secretary did not elaborate, but I would hope that any mechanism which we set up could be structured in such a way so that depositors are not asked to directly bear the cost. I shall therefore be looking forward to seeing how our system is going to develop.

As a corollary, I note that what the Bahamian Government has done seems to be very fitting and appropriate, in that while they did not actually close the bank and order a liquidation process, they have set up their insurance scheme in such a way that depositors in the bank branches in their jurisdiction could be the beneficiaries of the insurance scheme which they propose to implement.

I would hope that, while these things are not usually retroactive, we could devise a scheme which could cover the depositors of First Cayman Bank and I would encourage the Government to examine carefully and lose no time in exploring the possibilities because this gesture would be well received and these people would be deserving of such consideration; while, at the same time, freeing the Government from a position where they would have to go into the coffers of the Treasury to come up with this money.

But I want to belabour another important point which I think has to do with the continuing evolving sophistication of our system. And I am a purist in this regard, Mr. Speaker. I am saying (as I have said) that the time has come for us, when we attain certain positions of responsibility, to remove ourselves from certain apparent conflicting positions. I want to say that I believe it is incumbent upon the further development of Parliamentary democracy that Ministers must extricate themselves from certain positions where conflicts of interest can be called into regard.

What I want to say is that Ministers on Executive Council have to take certain decisions and these are not easy decisions as in the case of whether a bank is to be closed or not closed, or whether management is to go in, or to accept certain advice. But to the purist, if there are persons who hold positions in other organisations where they have to take decisions against other organisations, I am saying that such persons lay themselves open to suspicion, conjecture, innuendo and rumour, or worse. No less a political advisor than Machiavelli, in his famous treatise *The Prince*, says that the Prince must not only be above reproach, but must be seen to be above reproach. So I am saying that out of this must arise a lesson to us all so that we must, if we are conscientious, forthright and committed, use this to further extricate, lay the mechanisms in place. We already have some of the beginnings. Now we have to generate the political will.

Aristotle said that it is not enough to be good, a wise leader must also *appear* good. Conversely, a person who is not internally virtuous who does not try to act with regard for what is good for men in general can only be clever, not practical wise. The time has come for us to be practical and wise. I shall be watching with interest to see how far we take the lessons which are to be learned from

this sad, devastating experience, and I shall lobby, as I have lobbied and continue to lobby, for distinct, clear demarcations. The area has been greyed for too long. Perhaps the lesson to learn is that we should put less emphasis on individual wealth and success and more emphasis on carrying out our responsibilities for the good of the general will.

I note with interest also, and lend my full and wholehearted support to the Financial Secretary in his efforts to amend the Insurance Law so that protection is given to local subscribers and local policy-holders in respect to domestic business. I think it shows the perception and wisdom of the gentleman. As the *Hansards* of the House will show, this is an area that I have been very concerned about to the extent that I have asked some questions.

In a neighbouring jurisdiction many of these institutions have been into serious liquidity problems. I take note of the fact that much of the business written in this country is not written by companies that have their headquarters here, but which are headquartered elsewhere. So, I welcome the efforts by the Financial Secretary to offer greater protection to Caymanian subscribers. I am sure that it is an effort that my colleagues in the Parliament will lend their support to. It is a step in the right direction. The Financial Secretary, although he does not need me to tell him so, is on the right track. This is timely and it will certainly be appreciated by the country.

We have in this country been continually making efforts to improve our image with regard to our position as an international financial centre. I have heard the Financial Secretary on many occasions come to this Honourable House and express concerns as to our reputation in the wider world. The *Hansards* of the House bear out that he has piloted numerous Bills, if not personally, with his encouragement, expertise and guidance. Recently we have taken great strides. But it is an uphill struggle because we suffer from the competition trying to put us down, as well as what I term the metropolitan countries, the more advanced G7 countries, who cast a wary and suspicious eye upon us.

Any effort to travel to the metropolitan capitals to try and impress upon the people that we are not a hole in the wall, that we are not insensitive to their concerns, and that we are always cognisant of the efforts and the necessity to be responsible—and we have been. Every time we have been called upon we have met our obligations willingly. I draw specific reference to the Honourable Financial Secretary's statement in July of this year where he said: **"A team comprising persons of both Government and the private sector met with senior representatives of the US administration in Washington, DC. The meetings were aimed at increasing awareness of the measures and safeguards implemented for ensuring the effective regulation of Cayman's financial industry."** The gentleman went on to say that those meetings were very positive ones and laid the solid foundation for the building of a working relationship. However, the weakness in that was that those of us on this side of the House only knew of those meetings when

we read it in the paper and subsequently brought questions to this Honourable House.

I am saying that in matters where all of us have certain obligations, it is not unreasonable to request that we (children of a lesser god) be briefed. Because we, in our positions, can help project the image of meticulousness and sophistication. For the life of me, Mr. Speaker, I cannot understand this big boy/little boy relationship; this distrust. I know who the author of that is, you know, but I do not want to say who because he is my friend, although he is on the other side!

I just hope that one of these days that honourable gentleman can believe in us enough to say, *'We are going to let them in, because, if after nine years they cannot be trusted, heaven help us!'*

Quite seriously, we are not asking for any disclosure of sensitive and intricate details, but for someone to say, *'Gentlemen, let us tell you where we went, who we met with, what happened.'* We have constituents who ask us (when they see that the Government has travelled someplace) *'What did they go for?'* Ultimately, the buck stops with us because we are going to have to vote the funds, even though we often vote them after the fact. So, in the future, it would be good if someone could call us in (how do they say it in street terms?) and give us a 'bly' as to what has transpired. I am sure that request and my be-moaning will not be lost on my good friend in the future.

I will not offer any detailed comments on the situation in Cayman Brac except to say that I am happy that at long last it seems that we have found a way to stoke the fire of the Brac's economy. But I notice that the whole exercise is predicated on the sale of land. As someone with a knowledge of the social well-being, I have to say that I hope that in our efforts to provide an economic well-being, we do not sacrifice and do not (how shall I put this?) sacrifice the ability of the Brac's land owners by forcing them into a position where they have to sell all of their land in order to improve their economic well being. I think that, to some extent, that is the mistake we made on Grand Cayman. I think the trade-off was inordinately skewed against the land holders. So now we have arrived at the position where land is really valuable and people do not have a bargaining chip because they cut it loose at a time when the prices were not of the magnitude they are now. We are at somewhat of a dilemma. We should use the experience to avoid those kinds of pitfalls in Cayman Brac.

The Financial Secretary also mentioned the National Health Insurance Law and the Pensions Law. I have a concern about that. While I gave my implicit support to both of these Bills, there are still a number of questions begging to be answered. To this point, no one, including the Honourable Financial Secretary, has told us what the inflationary effect of implementing these two important Bills is going to be. Remember, too, that they are going to be implemented simultaneously which means that a significant amount of cash will be taken out of circulation. Certainly, in the case of the Pensions, a great percentage of this is going to be invested abroad.

I have great difficulty with that for this reason: What control do we have over what happens to that money? What guarantees do we have? I do not feel comfortable with that because I think the greatest statement that could be made in regard to these funds is that they could have in some way been reinvested in our country to bolster the private sector and our developmental infrastructure. In countries of Europe, Holland, Switzerland, Germany, these funds are made available to business people to borrow to develop housing, to develop other kinds of things to benefit the society at rates which are less than the commercial banks, but still attractive enough to provide long-term, safe funding. I am not advocating that the total amount be so invested, because there would be a need to put some into stocks and bonds for greater return. But I think it is only fair, since the money is coming from the Caymanian people, that some portion of it should be available for Caymanian entrepreneurs and business people. I hope that it is not too late to explore these kinds of possibilities.

Our percentage of economic growth for this next year is posited at 5%. Quite frankly, I believe that this is above the ideal. I believe the ideal is 3%. I think that 5% is fuelling the economy a little too much. I am reminded of the recent situation in what are called the 'New Tigers' of the Far East—Thailand, Malaysia, Singapore. I think that one of the problems they had was the economic development was at too rapid a rate for which they were not prepared. As a consequence, this rapid development encouraged so much speculation that the bottom dropped out of their market and some of these countries are still reeling.

I am not saying that this is going to happen, but I am saying that it would be good in our case if we could tailor the development at a lower rate and try to prolong, much like a good athlete pacing himself in a race, rather than accelerating at the beginning. If we could find a comfortable pace and play that out until the end of the race, it would be better for us; because we may go at 5% for a year or two and then fizzle down to 1.25% or 1.5% and take a radical depression. That is my suggestion and from what I know of development economics, that is what many people in developing countries prefer because the argument is that that is a more realistic and sustainable pace of development.

I heard where Mr. Michel Camdessus, the President of the World Bank, was saying to the people of Thailand that one of the reasons they got into problems was because the development rate was too rapid. What he would like to see now (when they get on track again) is the development rate lowered and more sustainable, not fuelling so much growth so as to be unmanageable. I think that in our instance this makes sense in other areas as well, particularly if we ponder the fact that most all of our workers now are imported. The faster we develop, the more people we have to bring in on work permits, and the less chance we have of preparing our own people to take certain positions. You must understand, the growth is so fast and fuelled so much that there is little to no time for training—you have to bring in trained people. As a

consequence, the vast majority of our people come in at the bottom end of the work force.

So, while it is true that we have been successful in sending an increasing number of our young people to universities and colleges, we still have a significant number who come in on the bottom rung. This is a situation that needs careful scrutiny because we should be in for the long haul. We should get ourselves in a position where we prepare our people for the long term. If we have a slow down, heaven forbid, what is going to happen is that those people who are transient in our society will go back to their own jurisdictions and we will be no better off, in that we will have a pool of people who are ill-prepared because when things were good we were unable to give them the kind of training we should have.

The development of tourism has to be viewed as a corollary of our economic success. It is safe to say that tourism has now earned its place along with international finance as an equal partner—not second anymore—in the provision of monies to fuel our economy to sustain our growth and to provide jobs for our people. But, I have said before that I think we are approaching the time where we have to ask ourselves, Is there an optimum number to which we would like to cater per year? Are we approaching that optimum? How are we preparing our people and the infrastructure to deal with that?

I appreciate the politics of the situation where it is good to say that the situation improved this year over last year; and this Government has improved it and expanded it and increased it over the last Government. But we cannot be caught up in this kind of entrapment wholly and solely. While that makes good political propaganda, we have to ensure that along with this increase we have increased the training, the employment opportunities and also the ability of our people to participate as owners and entrepreneurs in these ventures catering to tourists.

I would like to see a situation where young Caymans are encouraged and can access the resources to enter this seemingly lucrative field. I do not feel content with the situation where all we get out of it is busboys, bellhops, bartenders, dishwashers, and low-level managers. I am saying that now that we have reached the level in the stratosphere that we have, it is time to exact some conditions. So we should be in a position to say, *'Listen, you want to come in? We welcome you, but here is the situation: We want certain guarantees—understudies, certain availability so that our people can bid on certain concessions; we want certain availability for joint ventures between some of our people and some of your entrepreneurs.'* It is only by so doing that in the long run our people are going to feel content to continue to exert and to produce and to welcome.

I am saying that our people's patience will be tried if all we are getting out of it are maids, bellhops and bartenders. Let us examine it more closely and try to effect a strategy to push our people as far up as we can so that they have some economic say and some economic possibility.

The numbers are really impressive and there is no doubt that efforts are bearing fruit. I want to underscore

that I do not think the efforts have really originated with the National Team, although in all fairness and candour I have to give them some credit. I think we are reaping the efforts of past political directorates. It is not my position to make the National Team look good, but it is my position to tell the truth, and in so doing I have to give them some credit.

So, we are doing fine with numbers. As a result of that we have certain other factors impinging on us. I do not want to get into this whole question of how the pie is to be shared and who is to get what, other than to say that it is forcing us (because the industry is becoming so lucrative) to now arrive at a clear-cut position with regard to how much of a *laissez faire* economy we are prepared to tolerate; how much competition. One only has to read the papers to see celebrated cases where controversy abounds *vis-à-vis* who should have a licence to do what. This was not important before the numbers became so great.

I say that because the growth of the industry is not an isolated incident now. We have to examine other factors that this growth impinges on the social and economic development. While there is nothing that the Minister can do about this, I think that those of us who hold responsibilities as legislators and elected representatives of the people have to bear this in mind and try to put our shoulders to the wheel to arrive at a sensible and acceptable position before this type of situation becomes one of 'us against them' and 'me against you'. I believe that the economic success of the country was a marriage. It has to continue as a marriage. Maybe now we have to go to the counsellor, that sometimes happens in marriage, and work a couple of things out.

I notice that every year we seem to become more dependant on two sources of revenue—land sales (and by inference property transfers), and Custom duties. I am worried about this. Do you know why? Because these two areas have the potential to upset the social balance in the country. My position has always been that land, and I guess to a certain extent you could include property, is the source of all wealth. What if the situation develops to a state where all the business is being transacted at the upper echelon, and there is a gap in the mid and lower level? Then we stand a chance of alienating and isolating an important element in our society.

I am also not comfortable with the fact that there seems to be increasing importance placed on our Customs Department to break records in terms of collection of revenue. Yes, collection of revenue is an important and fundamental element. But, we have to be careful that we do not get ourselves in a position where our officers are crusaders with no ability to exercise discretion, and no ability to view cases on individual merit. I say this because I hear complaints from people who take weekend trips to Miami. It is increasing. They get hassled.

Mr. Speaker, you know that there are three sides to the story—my side, your side and the truth. But I have to say that the complaints I have been hearing are increasing and I have heard them from people who are not rule-breakers, who have no record of being petty traders but

are just casual weekenders who went to buy a couple of items and declared them. It may be that our officers are conscientious. I am not blaming the officers. I am just saying that we should not put ourselves in the position where we unconsciously pressure them to wring every dollar they think can be wrung because they want to say in August that they have surpassed the record of the previous August. That defeats the purpose. When you do that, you force people into creating an underground economy. They will find ways, believe you me. The human mind is full of ingenuity.

I like what the Jamaicans say. Sometimes you have to give them a bly, or it may be sufficient to say, 'Look, I know you are running a little scam on me, but I just want you to know that I am watching you.' I think it goes without saying that is another reason why we have to manage our natural resources more carefully and enter into prudent financial planning—so that these resources can spread faster. Which brings me to the topic of fiscal responsibility.

That is a bad word in this Parliament. Those people who were so ill-advised to introduce that concept did not do so well. I remember when my colleague, who was then the Second Elected Member for Cayman Brac and Little Cayman, brought the motion asking the Government to consider setting up a Fiscal Responsibility Law. He used as a model the Fiscal Responsibility Act of New Zealand. That was in 1994. My good friend from across the way found every reason and excuse in the book to belittle, castigate and chide us. I say now, I repeat, it is time that we have such a law. I am quite familiar with the promises. I am quite familiar with the pristine asseverations, but like Aesop's fable they have yielded nothing.

With some trepidation I have to say that Members of the Government must have a little more respect for people on the Backbench when they bring these things than to trace them down and castigate them. I am hurt. There is a side of me that cannot easily accept this kind of put down. We, on this side, have been nothing but responsible. I want to quote something, the author of which is my friend, from the *Hansard* of 14th September, 1995. . .

The Speaker: Honourable Member, would this be a convenient time to take the break?

Mr. Roy Bodden: Thank you, Sir.

The Speaker: Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 3.27 PM

PROCEEDINGS RESUMED AT 4.01 PM

The Speaker: Please be seated. Proceedings are resumed. The Third Elected Member for Bodden Town continuing.

Mr. Roy Bodden: Thank you, Mr. Speaker.

On the eve of the break I was making the point that in 1995 when some of us dared to bring a Motion to this Honourable House calling for a Fiscal Responsibility Law, the *Hansards* of the House will show that the only support that Motion got was from the Fourth Elected Member for George Town (now The First Elected Member for George Town), the Second Elected Member for Cayman Brac and Little Cayman (now, out of the House), and me, as the Mover.

We were reminded then by the Leader of Government Business and the Leader of the National Team, my good friend the Honourable Minister for Education, Aviation and Planning, that: **"We have not been borrowing for most of the work that we are doing; there have been very few borrowings and the beclouding of the finances in relation to the \$20.0 million borrowed for Cayman Airways was not ours. It was to pay past debts. This Government borrowed it but it was to pay for debts of the past Government's spending. This is what responsible fiscal policy is all about."** [*Hansard*—14th September, 1995.]

Mr. Speaker, if I borrowed something, I really fail to see how that is not mine; how I am not responsible. Whether I borrowed it to pay the debt of my brother, my sister or anyone else, the fact is that I borrowed it. I am the legal entity. But that is not atypical of the type of Voodoo economics that sometimes come from my good friend.

He goes on: **"Madam Speaker, I can speak with a considerable amount of authority because I am one who continues to be active in my profession. I am a qualified banker [But he could not save First Cayman Bank !] for nearly 30 years, I hold a degree in banking. I am actively a banker; I hold a degree in Credit Management, one in Administrative Accounting (all current, I am not defunct in these) and therefore I can speak with a considerable amount of authority that I would never sit by and see fiscal irresponsibility in this country."** Mr. Speaker, believe you me, I am going to prove that Honourable Minister wrong because I sat up last night and made some mathematical calculations that are going to disprove him as the 'fiscal responsibility' animal he touts himself to be. But more of that later, sir.

The Honourable Minister continues: **"I am not frustrated over the politics of the country. I will never do anything that is in any way irresponsible from a fiscal point of view because I have found. . .and as I will lay the accounts of Cayman Airways tomorrow, they will see what fiscal responsibility is all about. [I wonder if fiscal responsibility is also increasing the subsidy from \$4 million to \$5 million?] There are no secrets in this country, Madam Speaker. There are a number of questions asked in this House [That is true!] by two Honourable Members exceeds probably every question asked for every other Members in the past 30 years. [And he goes on] So Madam Speaker, in real life what we come back to is really the integrity of the people who run the finances of the country. Anything that is asked of the Government, within our ability to give, we give it. If there is any doubt**

in any area then questions are always asked and we give it."

Now, Mr. Speaker, the National Team needs to be careful about how they talk about integrity because they might get choked. Fiscal integrity, as I am going to show... I do not know if increasing the national debt and continuous borrowing is a criterion to say that you have fiscal integrity. In my book that is a contradiction. ". . . **within the team of the Executive Council there is more ability to deal with the finances of the country than, I submit, has ever existed. Which I also submit is non-existent under the Opposition and their colleagues, perhaps with the exception of one who seemed to have drifted away from the camp.** [That one is right back here now.] **He has a degree in accountancy.**" And he, I might add, will speak for himself. Oh, how I am anticipating that speech!

I have to say that my good friend, the Honourable Minister for Education, Aviation and Planning, never ceases to try to put us down. He can never quite achieve that. I like it when he reminds me that I am defunct, because do you know what I do when I go home? I plug in my old 'Energiser' and get ready for the next day. And if he does not notice that every time he calls me defunct I come in and whip him, then I cannot help him. I whip more, and I am going to chase him, and chase him, until I chase him to the sea. . . . So I hope he can swim, or he will have to roll his pant legs higher than he did in that picture I saw of him at Randyke Garden Apartments!

(Members' laughter)

Mr. Roy Bodden: I believe that this call for some kind of effort at fiscal responsibility at this time is timely. With the introduction of this Budget I take the opportunity quite seriously to reiterate that we in this House need to seriously buckle down and stop playing games of one-upmanship. If we consider the future important, just a couple of years away from the new millennium, if we want to lay a good foundation I think that we have to find a way—Government and Backbench—to arrive at this position. If we do not, history and our progeny will not be kind to us. If we send this country into economic disaster we will be committing a grave error, an unforgivable error.

I have to say again, because it bears repeating, that the efforts of the National Team in this Budget are not near as much as they should be because we are only tucking away a million dollars in the general reserves at a time when the private sector is booming and the Government is booming. We should be putting more than that away. I have to wonder, if I can see that and I am not a banker, what is the banker seeing? I hope that when that Honourable Member chooses to speak that he explains to us why.

When certain people are nice to me, I am most suspicious. What did they say in the Trojan War? Beware of the Greeks, especially when they come bearing gifts. Trust me, I have never fallen for flattery, and at 50 I do not need that.

The whole format of the document, I submit, is constructed in a way to lose people—particularly when they do not have degrees in financial management and administrative accounting. I felt so seriously about this, Mr. Speaker, that last night I stayed up quite late doing research on this whole business of Ministerial accountability as far as it con-

cerns getting the best value for money and getting the peoples' representatives to understand what is going on.

I found out that Sir Ivor Jennings (acknowledged to be the most authoritative writer on British Constitutional Law and Practice) believed that the doctrine of Ministerial Responsibility to Parliament is the most essential characteristic of the political relation. So I am saying that if we are not in a position to know what the Ministers have in this document, if we are not in a position to clearly flush out what is in this document, how can we be expected to support it or vote for it? And we claim to be intelligent people. The bottom line is that it is time for the game playing to stop. It is obvious that someone does not want us to understand what is going on with the country's finances and where it is going. I say again, I am not prepared—and I am going to search my heart as I consider myself an intelligent representative—to support what I do not understand. I am accusing the Government of a consistent pattern of obfuscation and contradiction and hide-and-seek. I look forward to hearing what their excuse is going to be.

It goes against what the current Financial Secretary laid out as I quoted earlier, it goes against what his predecessor laid out as I quoted earlier; the whole system has broken down, deliberately so. It must come to an end. This odious practice goes against the heart of democracy and is anathema to the Westminster system.

I would like to further quote Sir Ivor Jennings: "**The essential characteristic may no longer be the accountability of Ministers to Parliament. It may rather be that the central characteristic is now the zealous application of the doctrine of value for money and accountability to customers. While Ministers pay constant lip service to adherents to cherished constitutional values, there seems to have been a considerable weakening of commitment to and devaluation of the structure and operation of Parliamentary accountability.**" That is even more important because this document is in contradiction to the whole effort the Government is now undertaking called 'Re-invention of Government'.

What is happening? The horse is going one way, and the cart is going another and the rider on the horse is facing backwards looking at the cart. I am saying that it cannot continue because it should be a concert. The political arm cannot expect to operate at cross purposes and the executive body cannot expect to keep the legislative body in the dark. There could be but only one author of that strategy!

I just would like it known that after all this time that strategy is becoming crystal clear to me now. The oldest trick in the book. I am becoming somewhat of an expert at detecting it myself. I realise now that I made a mistake. I should have gotten a couple of degrees in credit management and administrative accounting instead of wasting all that time on education. *(Members' laughter)*

The intentions must be well-meaning. But somewhere along the line, something got twisted. I cannot fathom how it could be deliberate. I do not understand what purpose would be gained by so much confusion and inability to understand. I know that a lot of one-upmanship goes on.

It comes down to this: Of all the pronouncements of financial integrity, of ability to grasp good management concepts, degrees obtained, all of us are Caymanians. Mr. Speaker, the only difference between me and my friend is that he is more *buckra* than me, but the blood is just as blue

in me. I want the same for my country. I think it is time that Honourable Minister realises that. Do I have to be here until I reach the age of Methuselah before he understands that the only difference is that he sits there and I sit here? There should not be any of these kinds of secrets and obfuscation, this hide-and-seek.

It does not matter. Years ago I was told that my support was not necessary, they had the numbers. I am not a bad guy, and in spite of what some people think I do not oppose for the sake of opposition, but I am not compromising my principles. I will not sacrifice my position out of political expediency, I cannot bring myself to support what I do not understand or have difficulty accepting. If that is wrong, I have to take the consequences, but until it is expressed in jargon and in ways that I can understand. . . and I want to say this in defence of myself and others: We are not the biggest dunces, because to get elected in this country suggests that you are a survivor. As you will appreciate yourself, Mr. Speaker, it is not easy on the hustings. Sometimes a man has to live by his wits—especially those of us who do not have too much money in our pockets when campaign time comes.

It is not that we lack the capacity to understand certain things, rather, it is that certain things are not shared with us. It is high time we changed the system. The system must be changed if only for that reason. I have to say again that this is a Chamber of musical chairs. I do not know, the orbit is not as pronounced as the orbit of the earth, but every four years some changes occur. So, what goes around, comes around. It might not be me. I do not necessarily hold those aspirations, but some of my colleagues. . . or it is not far-fetched to think that fortune might not smile upon me. So, if it is a game, we might get our chance to be where we can make the decisions too. But that does the country no good.

So, I want to debunk the notion that the National Team's record is in tact, that they are the epitome of fiscal responsibility. They are not! They have their transgressions like others. Now, on the eve of the 21st Century, theirs may turn out to be greater than those in the past.

I come back to the business of borrowing. We are borrowing again. We borrowed last year. And we had revenue enhancement measures last year. I am going to predict, layman that I am, that we are going to have to borrow next year again to keep up the services. I say again that we are on a treadmill and if we do not control our pace, we are not going to keep up, and not be able to get off the treadmill. We will be hurtling out of control. Then it will make absolutely no sense whether it was my Government, the National Team's Government, your Government, or the First Elected Member for George Town, all of us will have to pay. Like the Jamaicans say, 'All of we will be one.'

Mr. Speaker, I cannot completely discount this: At that time my friend might be away, out of the vocation of politics and those of us who have to stay around, because we do not have certain other choices, might be taking the rap, getting the blame for bad management. At the very best case we will have to be trying to clean up the mess. But I would like to let him know that if I am in deep trouble I am coming to get his expertise. So I hope he will be charitable enough to share some solutions, because I will appeal to his good moral conscience—which I know he has—not to leave me in the lurch.

I want to make the point that in the modern management concept and principle this document, as it is structured

and laid out, really goes against the grain of what the professional people lay down. We are talking about monies with no ability for performance monitoring or setting up of performance objectives. Various jurisdictions have various methods. I understand that the New Zealand method, which is very popular, says one thing. I was happy to know that some of our high Government officials, civil servants, visited that jurisdiction. I am somewhat of an advocate of that system. But I want to make the point that budgets and appropriations across the spectrum of the free world, even in the great United States, the construction of these is evoking great interest. I am sure, Mr. Speaker, that you are familiar with the battle that President Clinton has, and the threats that he gave to his Congress of vetoing them. He wanted line items. He said that if they did not give him line items and the information he wanted, he was going to draw his red pen through it and send it back. He said that they could not give him that document asking for \$300 billion without his having the ability to see item for item. So, if the richest country in the world can do that, and the biggest and most powerful country, why are we at this time departing from what was our practice, limiting ourselves and taking away the ability to set performance objectives and proper performance monitoring?

MOMENT OF INTERRUPTION—4.30 PM

The Speaker: Is this a convenient time to stop?

Mr. Roy Bodden: Yes, Sir.

The Speaker: I will entertain a motion for the adjournment.

ADJOURNMENT

Hon. Truman M. Bodden: Mr. Speaker, I move the adjournment of this Honourable House until 10 o'clock tomorrow morning.

The Speaker: The question is that this House do now adjourn until 10 o'clock tomorrow morning. Those in favour, please say Aye. . . . Those against, No.

AYES.

The Speaker: The Ayes have it.

AT 4.30 PM THE HOUSE STOOD ADJOURNED UNTIL 10 AM THURSDAY, 13TH NOVEMBER, 1997.

**EDITED
THURSDAY
13TH NOVEMBER, 1997
10.16 AM**

The Speaker: Prayers by the Honourable Third Official Member.

Elizabeth II, her heirs and successors, according to law, so help me God.

PRAYERS

Mr. George McCarthy: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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 those that trespass against us; and lead us not into temptation, but deliver us from evil. For Thine is the Kingdom, the power and the glory, for ever and ever, Amen.

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

The Speaker: Please be seated. Proceedings are resumed. Administration of Oaths or Affirmations. Mr. Ivor Archie to be the Honourable Temporary Second Official Member.

ADMINISTRATION OF OATHS OR AFFIRMATIONS

ADMINISTRATION OF OATH OF ALLEGIANCE

by Mr. Ivor Archie

To be the Honourable Temporary Second Official Member

Hon. Ivor Archie: I, Ivor Archie, do swear that I will be faithful and bear true allegiance to Her Majesty Queen

The Speaker: Mr. Archie, please take your seat. We welcome you to this Honourable House for the term of your service.

APOLOGIES

The Speaker: We have apologies for the absence of the Honourable Second Official Member who is off on official business.

Questions to Honourable Members/Ministers. Question No. 158 is standing in the name of the Fourth Elected Member for George Town.

QUESTIONS TO HONOURABLE MEMBERS/MINISTERS

QUESTION NO. 158

No. 158: Dr. Frank McField asked the Honourable Minister responsible for Tourism, Commerce and Transport to provide a list of positions within each major hotel stating the number of Caymanians or expatriates employed in these positions.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Thank you, Mr. Speaker. The answer: Honourable Members are referred to the attached list, as it would be too time-consuming for me to read it aloud.

SUPPLEMENTARIES

The Speaker: Supplementaries? The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. Can the Minister say for those positions which would be regarded as executive, and held by staff other than Caymanians at those hotels, if there is an understudy programme in place so that Caymanians can prepare themselves for some of these positions?

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Mr. Speaker, there are a number of individuals in the middle management posi-

tions. There are 88; and there are a number of Caymanians in the senior management position of 42, similar to the answer given yesterday. There are individuals within some of the hotels who are in the position, to some degree, of understudy to persons senior to themselves. I do not believe, Mr. Speaker, that I have official information from which I can speak on this, so I am a little bit reluctant to give information to Members as if I do. But if it is the wish of the House, I can undertake to gather that information through the Ministry responsible for Labour, and pass it on.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. I would like to express my appreciation. Perhaps the Honourable Minister might like also to consider providing this information, if it is not now available: whether these programmes are operated on a formal basis with a regular monitoring schedule, or whether they are strictly on an informal basis, which is left entirely to the discretion of the various hotels to implement.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Mr. Speaker, I am not in a position to answer that particular aspect either; as referred to earlier, I have no official documentation from which to speak on that, but as I indicated earlier, I would undertake, in conjunction with the Minister for Labour, to gather that information as well. I think it is also important to point out that the former Minister for Labour did a statement in this House, speaking to training generally in the Cayman Islands, which also includes training in the Tourism industry.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Mr. Speaker, please allow me to say that some of these figures are seriously alarming, but I would like to ask the Minister if he feels satisfied with the status quo. I am not asking his opinion, but based on his policy. There are here bartenders, servers, waiters—at the Hyatt, for instance, where we have four Caymanians and 48 non-Caymanians, servers, waiters at the Hyatt. In the area of laundry attendants and room attendants. . . for room attendants we have 13 Caymanians and 18 non-Caymanians. And for laundry attendants we have one Caymanian and four non-Caymanians. I was wondering if the Ministry is paying attention to these figures, and what they propose to do with regard to seeing that an equal amount of Caymanians receive employment or training for employment in these areas.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Mr. Speaker, I think the answer to the first question, as to whether the Ministry is satisfied with the status quo, is obviously not. There is no move on my part to give any alibis for it, Mr. Speaker. But I think it is important to realise that the number of positions available in this country cannot be staffed by Caymanians, because there are not enough numbers of Caymanians to go around.

While I am as keen as any other person in this House to see that the training of Caymanians to rise to whatever level they have the capability to do, we have jointly, not individually, jointly within the Government, to put that training programme together and to walk hand in hand in partnership with the industry to make sure that it works. Until that happens, I am afraid, Mr. Speaker, we are going to be in this same scenario asking questions and not getting the answer you really wish to get.

The Speaker: Fourth Elected Member for George Town.

Dr. Frank McField: I have no idea what that was all about, Mr. Speaker, but I suggest seriously that the Minister take a look again at the figures for the Hyatt where servers and waiters are numbered four, and expatriates are 48. Now, seriously, there is no high degree of qualification needed for those particular positions, and it could have something, perhaps, to do with the type of hotel, and what the hotel really feels it deserves.

So I would like to see if he could at least undertake, accepting that he is a Minister of Government, and implying that he is collectively responsible, not just his Tourism Department, but the Labour Department, the Education Department — if they could collectively undertake to see that these figures. . . which could be very easily affected, I believe, because I know there are a lot of young girls coming to me and complaining about the fact that they cannot get jobs. So it is not a question that we do not have Caymanians. If they could at least undertake to see that these types of figures change in the future, and it might mean that they will have to work together as a group, but we assume that is what they are doing anyway.

The Speaker: The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Mr. Speaker, I think the Member from George Town does understand the answer I gave, given the comment he just made, and I believe that we need to be practical about whether or not we can find as many waitresses in this Island as we think we can. When you walk around to restaurants and you do not find them, do you expect to find them in hotels?

I am just as keen as any Member of this House to try to achieve a total Caymanian staff in the private industry, as well as in the public industry, but is it going to happen today or tomorrow? The numbers are not there to cause it to happen. So we have to work this marriage in the interests of the Cayman Islands in the long term, and yes,

we need training, and yes, this Government will make sure it happens.

The Speaker: First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Could the Honourable Minister say, based on the answer he just gave, if there are any specific initiatives being put forward to work that marriage between industry and the Ministry regarding training of Caymanians?

The Speaker: Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Mr. Speaker, the marriage is already there, working in different areas, not only in this specific area which he is talking about. The marriage has not risen to the level he is presently speaking of, but we have training which is put on by the Department of Tourism on an annual basis, and several times during that annual exercise, we have individuals from the private sector, we have individuals from Customs, we have individuals from Immigration, we have individuals from the Police, who are part and parcel of a training exercise.

All of us would like to see it happen tomorrow, and to change the present figures which we look at with some degree of not appreciating that we should allow this to happen or continue in that way, but we have the marriage, Mr. Speaker. It is a matter now of working the marriage fully into that area, together with the Education Ministry, who is now also responsible for training, and cause some important and significant impact in this area. That is the agenda we are on. We are moving to this matter shortly.

The Speaker: First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you. Mr. Speaker, I understood what the Minister just said, and I will just ask a further supplementary regarding the same issue. In the Minister's answer, he spoke in a generic fashion regarding what the aims and objectives are regarding training. I am asking the Minister if there is anything specific regarding this training that is to be achieved that is being implemented, or if it is still in the ground stages where it is being worked at. That is the kind of answer I am seeking.

The Speaker: Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Mr. Speaker, if my recollection is correct, the initiative was the statement read by the Minister responsible for Community Development in a recent meeting of this House. That initiative has to include the Ministry for Education, the Tourism industry, the Ministry responsible for training, and those three ministries, not to say that is an exhaustive list. Working together will cause an impact to happen.

The Speaker: First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you. I too remember that initiative being introduced in this Honourable House. Perhaps the Minister at this point in time could give us an update as to how the initiative is coming along.

The Speaker: Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Mr. Speaker, it was not my statement.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker, I well know that, but the Minister was using it to answer his question, so I am very surprised that he cannot use it to answer mine.

The Speaker: Fourth Elected Member for George Town.

Dr. Frank McField: Mr. Speaker, I think we are here to deal with the Budget, and I am quite sure that the Minister would like a little co-operation when it comes to the Budget. I think we would like a little co-operation when it comes to some explanations. We need to find out as much as possible about what is being done to alter these figures. Can anyone, or can the Minister say, whether or not he is at least satisfied with the collective initiatives with regard to training of Caymanians for these positions?

The Speaker: Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Mr. Speaker, quite frankly, I was trying my best to answer a question that I do not really have responsibility for. Training is not my responsibility personally as a Minister. Indirectly it is, so as far as being co-operative is being concerned, I thought I was trying my best to do just that. But training is something, Mr. Speaker, that has been talked about for the last twenty years in Cayman. Every Government has tried to make its initiative in that area. It is dealing with people, young people, maybe I should say, who have to be given skills, to use those skills in the marketplace, and deliver the service to the customer in such a way that they move on in a satisfied manner.

The present position regarding Caymanian and non-Caymanian is nothing new, Mr. Speaker, and it does not mean that it has to stay that way. But I think what we all have to realise is that we are dealing with an inadequate number of Caymanians to do all the jobs within this country. So whether you pick on waitresses, on bank managers, on teachers, or any other profession in this country, you are going to find that you do not have sufficient to meet the number of jobs in this country. So what we have to do, rather than talking about it, we now have to put together an action where we can justifiably say, '*The position is now in hand and we are moving forward together.*'

Mr. Speaker, there are two sides to this story. First we want to have development, and we continue to have development because we want the country to prosper. But if you have development along the lines we have had in the last ten to fifteen years, you are going to have more jobs than there are people in the country to deal with it.

It has been this way for the last twenty-five years, and I would put to everyone in this House that it is going to be that way for the next ten to fifteen years, given the prosperity of this country and the rate of growth. We have to ensure that Caymanians have their opportunity, through training and otherwise, to rise to the highest possible level in this country.

The Speaker: Are there any further supplementaries? If there are no further supplementaries, question No. 159 is standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 159

No. 159: Mr. Roy Bodden asked the Honourable Minister with responsibility for Tourism, Commerce and Transport: How much money did Government spend on the Caymanian delegation which attended DEMA Asia 1997?

The Speaker: Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Mr. Speaker, the answer. The Government spent CI\$12,837.22 on the Caymanian delegation which attended DEMA Asia in 1997.

SUPPLEMENTARIES

The Speaker: Supplementaries? The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. Can the Honourable Member say what is the purpose of attending such shows?

The Speaker: Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Mr. Speaker, I guess I should begin by saying that one-third of the visitors who arrive in the Cayman Islands (and last year we had around 370,000) are divers. DEMA means "Dive Equipment Marketing Association." They provide the largest possible show in diving in the United States. They are now moving to different areas of the world.

This is the second time they have put on DEMA Asia in Malaysia. It draws people from all around the travel market, whether they are providing equipment to divers, or dives to divers, or travel agents, or any type of connection with the dive industry. The audience can number as much as 2500 to 3000 or 3500 people.

I believe the whole initiative with DEMA Asia is to spread the word about the Cayman Islands, not only its

ability to be one of the premier dive sites in the world, but also when you make that move, Mr. Speaker, you are alerting the world as to where the Cayman Islands is, and its facilities including the financial industry facilities.

The Speaker: Supplementaries? The Fourth Elected Member for George Town.

Dr. Frank McField: Mr. Speaker, we spent some two and a half million dollars for official travel and subsidies this year. So in relating to a supplementary on this question, I would just like to ask the Minister whether or not he intends to concentrate, in terms of recruiting tourists, on the globe, or whether or not he has certain designated areas, like North America, South America and Canada.

The Speaker: Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Mr. Speaker, may I begin by answering that question in this way. We have Department of Tourism representatives in Japan, in Germany, in Italy, in Spain, in France, in the Benelux countries, and we have regional offices in United Kingdom, New York, Chicago, Los Angeles, Houston, Miami; and we have district sales managers in Boston, Baltimore, Dallas, Tampa, and Atlanta. We also have representation in Canada.

So the answer is, we are concentrating world-wide. We are concentrating world-wide for a variety of reasons. Because if we were ever privileged to attend, for example, what I call the largest travel show in the world, which is held in Berlin, called ITV Berlin, generally in March of any year, we will find that any country you can possibly dream of is there. And they are all there for one reason: trying to draw Caymanians to their shores, or trying to draw Asians to their shores, or trying to draw Europeans to their shores, or people from South America, or people from the United States, or people from Japan, or people from the Caribbean or from the Pacific.

So you have to be in that arena in order to continue to compete. And when we think of the Internet and its facilities which it provides to the customer in his own den at home or his office, you can book anything you want in any part of the world. So you have to play on a world circuit. But I must point out, Mr. Speaker, that the amount of money spent by the Ministry for travel in 1997 will be in the area of \$50,000.

The Speaker: Are there any further supplementaries? If there are no further supplementaries, question number 160, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 160

No. 160: Mr. Roy Bodden asked the Honourable Minister with responsibility for Tourism, Commerce and Transport: What changes have been instituted to the vehicles'

licensing and re-licensing procedure since its transfer to the new department?

The Speaker: Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Mr. Speaker, the responsibility for the Vehicle Licensing Department was transferred to the Ministry of Tourism, Commerce and Transport on the 15th day of October, 1997. No changes have been instituted to the vehicles' licensing and re-licensing procedures since that time; however, the Department has introduced, since that time, longer opening hours for the convenience of the public. The Department is now open from 8.00 AM to 4.30 PM Monday through Friday.

SUPPLEMENTARIES

The Speaker: Supplementaries? The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you. I wonder if the Minister could state, although he just answered that no changes have been instituted, if there are any plans to institute any changes in that Department?

The Speaker: Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Mr. Speaker, there is a series of changes being proposed, and I have held discussions with all Members of this Honourable House about those changes in order to get input from them on those changes.

The Speaker: Are there any further supplementaries? Fourth Elected Member for George Town.

Dr. Frank McField: Mr. Speaker, I wonder if the Minister could say if there will be any change in personnel structure at the Department.

The Speaker: Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Mr. Speaker, the Vehicle Licensing Department, as I mentioned earlier, was transferred from the Police Department to within the responsibility of the Ministry for Tourism, Commerce and Transport. Prior to the Ministry accepting that responsibility, we now have a Director of Vehicle Licensing Department and he is a Caymanian, giving some of the questions that were asked earlier. I am not at the moment able to say whether there will be any changes in the structure in the not-too-distant future. That matter has not been discussed, and as Members appreciate, it is a civil service matter.

The Speaker: Fourth Elected Member for George Town.

Dr. Frank McField: It might be a civil service matter, Mr. Speaker, but when we come to the Budget, it will be a matter for this Parliament as well. I just wanted to ask the Minister whether or not (and he can refer me back to the civil service, but I will ask him anyway) there is anybody in that Department sufficiently qualified to head the Department, in that they have been heading that Department already.

The Speaker: Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Mr. Speaker, to the best of my recollection, the position being filled, Director of Licensing, was done from within the Police Department, and obviously all the other members of the Vehicle Licensing fell within the Police Department. Perhaps I have missed the question the Honourable Member is asking me, but I am not aware of any other person who was connected and worked within that building, who would be qualified to be Head of the Department, other than the Director himself.

The Speaker: Fourth Elected Member for George Town.

Dr. Frank McField: Is the Minister saying that, although the Department had been previously run by the Police Department, and the staff that ran the Department were not police officers — they were civilians, civil servants — that these people themselves are not capable of continuing to run this Department?

The Speaker: Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Mr. Speaker, obviously everyone who works within a Department makes a contribution to the efficient running of the Department. I thought what I was speaking about was those who are within it at the moment and previously were not, according to my understanding from the civil service process, eligible, or neither was it agreed that they had sufficient experience and skills to take over and be the Head of Department, other than the person who was actually appointed.

The Speaker: Any further supplementaries? No further supplementaries. Question number 161, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 161

No. 161: Mr. Roy Bodden asked the Honourable Minister responsible for Agriculture, Environment, Communications and Works if there has been any recent importation of Rottweiler dogs into the Islands.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Thank you, Mr. Speaker. The answer: No known legally. Dog breeds which are prohibited are Rottweiler, Pit Bull Terrier, Staffordshire Terrier, Neapolitan Mastiff, Fila Brazeleiro, Dogo Argentino, Japanese Tosa and Belgian Malinois.

There are over 200 pure-bred breeds of dogs. Eight breeds are prohibited because of the danger they pose to the public. Rottweilers are prohibited from entering the Cayman Islands. Many are bred to be fighting dogs. They are powerful and aggressive and can inflict serious injury. Rottweilers are particularly powerful and have, on well-publicised rare occasions, even killed children.

SUPPLEMENTARIES

The Speaker: Supplementary, the Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. Can the Honourable Minister say if the restrictions and arrangements in place to prevent the importation of such dogs is indeed effective? And can the Minister give the House the assurance that it would be well nigh impossible for any of these types of dogs to pass through the system his Ministry has set up?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Mr. Speaker, in any system that is put in place, there is a chance that you will have culprits who will go behind and do other things that they can do, something contrary to the law. But to the best of my knowledge, what we have in place has been working. As a matter of fact, it has been so tight that I know of one occasion in the district of Bodden Town, where an individual wanted to bring in one of these attack dogs, and because of the surveillance which we had in place, I received letters even from his lawyers threatening me with encroaching on his privacy, as it was called. However, I was pleased to know that the Department had in place such enforcement that we were able to curtail that importation.

The Speaker: Supplementaries? Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. Can the Honourable Minister give the House the assurance that all officers responsible for the detection and prohibition of these dogs being imported into the Island are completely familiar with the physical characteristics of the dogs, and are completely educated on what to look for, so that no one can bring these dogs through the channels unless they commit an offence, namely by making a false declaration?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Thank you, Mr. Speaker. Any person importing an animal into the Cayman Islands needs to have an import permit from the Department of Agriculture. If an animal arrives at any port of entry, be it the airport, or the port by vessel, it will be confiscated if it does not have proper documents. In the case of a dog as we are questioning at this time, if one of those actually arrived there, I would have no hesitation in saying that it should be put down.

SUSPENSION OF STANDING ORDER 23(7)&(8)

The Speaker: Before we take the supplementaries, I will entertain a motion to suspend Standing Orders to enable Question Time to continue beyond 11 o'clock.

Mr. D. Kurt Tibbetts: I so move, Mr. Speaker.

The Speaker: The First Elected Member for George Town has moved. Seconded?

Mr. Roy Bodden: Seconded, Mr. Speaker.

The Speaker: The motion has been made and seconded. Those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it.

AGREED. STANDING ORDER 23(7) AND (8) SUSPENDED TO ENABLE QUESTION TIME TO CONTINUE.

The Speaker: Question Time continues. Supplementaries? Third Elected Member for Bodden Town.

Mr. Roy Bodden: Mr. Speaker, this is a little away from the original question, but it has to do with the same subject. Is the Minister in a position to say whether the strict controls which are placed on importation are also effective in preventing the breeding and distribution of any of these types of dogs which may currently be on the Island, and which were brought in before such strict controls were in place?

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Mr. Speaker, I have to agree with the Member asking the question. I think it is far away from the original question, and that question would be subject to some consultation with my CAVO [Chief Agricultural and Veterinary Officer].

The Speaker: Third Elected Member for Bodden Town.

Mr. Roy Bodden: Mr. Speaker, I accept that, and I would ask you, Sir, to implore the Honourable Minister if

he would so do, and perhaps provide the answer in writing at a later date.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Mr. Speaker, I certainly will.

The Speaker: Any further supplementaries? Question number 162, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 162

No. 162: Mr. Roy Bodden asked the Honourable Minister responsible for Education, Aviation and Planning: Does the staff of Cayman Airways Ltd provide ramp and office service to any other airlines flying into Owen Roberts International Airport?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, the answer: Cayman Airways Ltd provides ground handling services at Owen Roberts International Airport for the following air operators:

- ◆ Scheduled airlines: British Airways, US Air, Delta (proposal to commence 7th December 1997);
- ◆ Scheduled Charter Operators: Islena, Aero Caribe;
- ◆ Ad Hoc Charter Operators: Miami Air, Royal Airlines, Sun Country.
- ◆ Cayman Airways Ltd also provides "on-call maintenance" services in addition to the above for: American Airlines, Northwest Airlines and Air Jamaica.

SUPPLEMENTARIES

The Speaker: Supplementaries? Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. Can the Honourable Minister tell the House if this is a contractual arrangement for which Cayman Airways is paid a regular sum, or if this is a complimentary service?

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, we are paid hard cash. The days of giving away Cayman Airways ceased about five years ago.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. Can the Honourable Minister say whether the staff of Cayman

Airways benefits from any of these monies realised from this extra service, by way of bonuses or regular supplements to their pay as a result of monies derived from these services?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, when the staff work outside their regular work hours, they are paid in accordance with the law.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. Is the House then to understand, Mr. Speaker, that when these extra services are provided in the regular 8 to 5 day, no extra pay is given, although this is work over and beyond what they would have provided for Cayman Airways?

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, as I understand it, they work eight hours a day, and if they work beyond the eight hours, they are paid overtime or paid extra for it.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Mr. Speaker, if I can recall correctly, the Honourable Member for Aviation mentioned that the days of Cayman Airways giving away money ended five years ago. I wonder if that Honourable Member could give some specific examples of what he is talking about.

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, I was just trying to get a little bit of humour into the seriousness of this place. I do not want to get into Cayman Airways five years ago when it was losing \$15 million a year. I am not going to get into that. And in fact, in my Budget speech, I am going to keep it nice and positive as well, Sir. So I am not going to say it then.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Mr. Speaker, is that Honourable Member admitting that he is being very frivolous, as usual, in this House?

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, that is a statement. The Honourable Member is entitled to his views. I was trying to get a bit of humour, and everyone at least is smiling in here now, which is the way that business can positively move forward.

The Speaker: Any further supplementaries? No further supplementaries. Question number 163, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 163

STANDING ORDER 23(6)

Mr. Roy Bodden: Mr. Speaker, under Standing Order 23(6) I am refusing to ask this question, because it would be a clear contravention of the Standing Order which says, “**Not more than three questions requiring an oral answer shall appear on the Order Paper in the name of the same Member for the same day, and any question in excess of this number shall not be called by the Presiding Officer, but shall be answered as provided in paragraph (8).**” Thank you, Sir.

Hon. Truman M. Bodden: Mr. Speaker, that must have been a frivolous oversight on my part, but since it is in favour of the Opposition, if he wishes, since we waived the Standing Orders this morning, if he wishes it answered, I would be happy to answer it, Mr. Speaker. I always try to help the Opposition as much as I can.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Mr. Speaker, I feel like having that question placed on the next Order Paper, Sir. Thank you.

The Speaker: That concludes Question Time for this morning.

Item number 4, Other Business: Private Members' Motions. It is my understanding that the Private Member's Motion is not ready. I will ask for suspension of Standing Order 14(3) so that we can proceed with Government Business. Since today is Thursday, Private Member's Motion takes precedence over Government Business.

SUSPENSION OF STANDING ORDER 14(3)

Hon. Truman M. Bodden: Mr. Speaker, once again, to assist the Opposition, I am going to move the suspension of Standing Order 14(3) as it is the wish of the Opposition that they move on (of the Honourable Members, I should say) with the Budget speech today. So I am happy to move that that be taken after the Budget is completed, so that the Third Elected Member for Bodden Town may proceed.

The Speaker: I put the question: Those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it.

AGREED. STANDING ORDER 14(3) SUSPENDED TO ENABLE GOVERNMENT BUSINESS TO TAKE PRECEDENCE OVER OTHER BUSINESS.

The Speaker: Government Business: Bills, Second Reading, continuation of debate on the Budget Address delivered by the Honourable Third Official Member responsible for Finance and Economic Development on Wednesday the 5th of November. The Third Elected Member for Bodden Town continuing.

GOVERNMENT BUSINESS BILLS SECOND READING

THE APPROPRIATION (1998) BILL, 1997

DEBATE ON THE BUDGET ADDRESS DELIVERED BY THE HONOURABLE THIRD OFFICIAL MEMBER RESPONSIBLE FOR FINANCE AND ECONOMIC DEVELOPMENT ON WEDNESDAY, 5TH NOVEMBER, 1997

(Continuation of debate thereon)

Mr. Roy Bodden: Thank you, Mr. Speaker. When we took the adjournment yesterday afternoon, I was speaking about the new format, what I consider an improvement in the presentation of the document, and was encouraging the Government to adopt the New Zealand model. I was lamenting the fact that in the document we have there is a lack of information, which prevents proper performance monitoring or the ability to measure performance objectives. I would encourage the Honourable Financial Secretary to think in terms of expressing with greater clarity, and adopting the output or service costs when he is doing his next Budget. I will be listening with interest to hear what his disposition is in his reply.

Mr. Speaker, I make a case for what I am suggesting by referring to page 10 of the *Caymanian Compass* of today, the story carries the headline, “Impersonator to pay fine, costs” and it details the case. But we are not so much interested in the case as we are interested in this. “**Mr. Graham [obviously Mr. Justice Henry Graham] had earlier asked Mr. Roberts [who was the Crown Prosecutor in this particular case] what the prosecution costs would be. The Crown Counsel said the Legal Department has not been in the habit of determining costs. . . .**”

The point I wish to make is that with the New Zealand model that information, with the costs for these services, would be readily available. Thus, when the Honourable Justice called upon the Crown Prosecutor, that information would be readily available. If you check the New Zealand system, their Budget document, those ser-

vices are listed by costs, so that information is literally at the fingertips at any given time. I would like us, Mr. Speaker, to take that route and, rather than looking in terms of individual items, look in terms of complete service costs. I think it would be a definite improvement. It would certainly help the layman; it would help us in this Honourable House, and it would help the civil servants.

Performance monitoring is an increasingly complex environment, and we in the Cayman Islands need to expand the scope so that we can better be able to keep track of what is described in the jargon as the “three Ds” — the manager’s capacity for *diagnosis* of new problems, *design* of solutions, and *development* and implementation of strategies. That is where the New Zealand model is very strong, is very appealing to jurisdictions, and it is becoming very popular.

Even we in the Cayman Islands — I think it was the Deputy Chief Secretary and some other top-level civil servant — spent some time in New Zealand. I would hope that the Financial Secretary could be so persuaded that he would express to this House his disposition as to whether he is prepared to pursue this model in our budgetary management and control development. I think, going into the 21st century, it would serve us well in our attempt to maximise and realise output and measure ability of our services to develop.

The Speaker: Would this be a convenient time before you go on to another topic, to take the morning break?

Mr. Roy Bodden: Certainly, Sir.

The Speaker: We shall suspend for fifteen minutes.

PROCEEDINGS SUSPENDED AT 11.15 AM

PROCEEDINGS RESUMED AT 2.43 PM

The Speaker: Please be seated. Proceedings are resumed. Debate continues. The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. I would like to continue with my debate and to move on now, Sir, into some very important areas, working my way towards winding down. I want to talk about Government’s role in the economy, and I would like to draw reference to some comments which the Financial Secretary made on the 5th of November 1993, when he explained what he saw Government’s role being. I quote from the 1993 *Hansard*, Volume II, page 769, “**Madam Speaker, I now turn to the issue of Government’s role in the economy. Traditionally, Government has adhered to a free market economic approach with regards to regulating local economic activity. Although this is still so today, Government has expanded in both its size and the quantity of public services it provides.**” He went on to say, “**However, high operational costs associated with this expansion has led to Government expenditure growth which has surpassed that of local reve-**

nue growth. The result has been a recurrent budget deficit before financing since 1990 through 1992. Therefore, Government has taken the initiative to improve its financial performance through a staff streamlining programme which has reduced the size of the civil service; amalgamations of several Government departments aimed at maintaining the quality of services while improving the efficiency of remaining civil servants; and expenditure controls aimed at reducing Government spending at all levels.”

And he expressed the hope thus: “**It is hoped that by gradually reducing its role in the economy Government can improve its financial position, without substantially increasing the tax burden to the public and still provide incentives for private sector led growth.**”

Mr. Speaker, I draw that reference to make the point that at the end of this exercise now we have achieved absolutely nothing because the Civil Service is as bloated as it was. As a matter of fact, it is more so now, as I am reminded by the editorial in the *Compass* of Wednesday 12th November 1997, the paragraph where it says, “**The estimates show, for instance, that there will be 2,576 established posts in the civil service next year, together with 117 new posts, the bulk of them in Health Services, with the new hospital complex coming on line.**” And the editorial goes on to say, “**However, when something like one in eight employed persons is employed directly by Government, it should raise the question: Just how big ought government to get?**”

I want to underscore, Mr. Speaker, that we are on a treadmill from which it seems we cannot get off. We had an amalgamation, or retrenchment, in 1993, and here at this point in 1997 going into the 1998 Budget, the Civil Service is as bloated as it ever was. I make the point that something needs to be done, and we know what needs to be done. We have to change the whole system. I do not know what we are going to do, I just hope that now we can be on the right track. But what I want to say is this: The Government, the political arm of the Government, needs to realise that the system needs to change. There needs to be more dialogue, if only for the simple reason that we have a different breed of animal coming into the Assembly now. We have educated, trained, qualified people who are not prepared to be rubber-stamps who sit by and say, ‘Aye’ to every proposal that comes, but who are demanding that they must be a part of the political process.

Mr. Speaker, if this is not realised in a sensible way, then I am afraid that. . . . You know, the democratic system allows for people to be challenged—and they are going to be challenged—and if they do not yield ground willingly, there is going to be a showdown and they might have to yield it unwillingly. They might have to yield more than they are prepared to yield. The process has to be a consultative process. We understand that there is a distinction between the Executive and the Legislative, but

remember, the Executive has to come to the Legislature for approval. So what happens one day if they come and they do not get the approval? That can happen. Because there are those people who are not prepared to vet the system if they do not participate. This is not a presidium where the decisions just come here to be ratified. So I raise the hope again, and I not only raise the hope, but I lay the challenge down, that the powers that be realise that it is time for us to try to work together at a more practical and acceptable system.

Mr. Speaker, we have certainly had enough warnings and suggestions. From the time I have been here, I wondered about the purpose of coming here and listening to Throne Speeches and Budget debates with proposals made. . . . Mr. Speaker, it seems to me that it is pure lip service—it is read, but no one follows it up. I cringe, the organised person that I am with my level of intellect, at the fact that nobody takes one Budget from one year to the next and says, ‘*You know what we said last year? Let us make mention of this proposal, how far we have reached, if it has failed, why we think it has failed.*’

Every one of these Budgets and Throne Speeches, Mr. Speaker, is a separate document with no connection to the other one. How in the world can we as a country move forward if that is so? Absolutely no continuity! This year’s Budget Speech is different from last year’s Budget Speech, no interconnection, no assessment of the objectives. I see people on the other side who believe they know it all—and I laugh! Do you know what? It is a good thing they did not come to me, because believe you me, I would fail them resoundingly.

People have to stop boasting and talking nonsense about what they have and what other people do not have, and get on with the business they have been elected to do, working together to run this country for the betterment. Mr. Speaker, believe you me, I have my little journal, and one of these days I hope I can get a couple years teaching at some university and poke fun at the system, and at some of these people who are up in here believing that they have all the answers.

Mr. Speaker, I am saying that this country under the National Team’s management, really and truly is not as well off as some people would have us believe. Before I get into the notes that I made to substantiate my position, I want to read again from the *Hansard* of the 18th of November 1993 (page 918). The Minister of Aviation was debating the Budget, and that Minister said, **“They [meaning the previous Government that they succeeded] had the knack, Madam Speaker, of creating debts that had to be repaid immediately after they went out of office, of leaving sizeable projects that they had no money for, and leaving the [new] Government to find money to pay for them.**

“The Budget itself has been very carefully prepared by the Honourable Financial Secretary and his staff, and the Estimates reflect not only the views and the input of the Executive Council, but also that of Members of the National Team because we believe that it is through the teamwork and partnership that

we were elected on that must continue to be the basis of our success in guiding the Cayman Islands back to a sane and sensible economic position.”

And the gentleman went on, **“Madam Speaker, over a matter of four years, from December 1988 to September 1992, the Public Debt, less the General Reserves, went from \$31 million to \$130 million. If there is one thing that the previous Government can take credit for, it is creating the largest amount of debt that this country will ever see for which they had no idea how they were going to repay it, and they have left the new Government saddled with an extra \$100 million of debt.”**

That would be fine, Mr. Speaker, were it not repeated by the National Team Government. The very same Government that came in and said it was going to do better has done just as badly—or worse—because we are already up to \$80-something million and its term has not finished yet! So heaven knows how much we are going to be up to when its term is finished!

I am saying, Mr. Speaker, it is time for the political lip service to be done away with, and the political gamesmanship must be put away. And you know, Mr. Speaker, that gentleman, the leader of the National Team, knows how it should be done because he said, on page 919, **“I believe that you have to get the principle right at the beginning because, as the saying goes, if one gets on the wrong track in the early stages, it is very hard to get back on the right track. Government, the Legislature, and the public’s aim, has to be a Budget where the Government and the Legislature is living within its means. There can be no other long term solution to dealing with the horrendous debt that this country is saddled with and for which there definitely has not been good value for money.”**

How true, Mr. Speaker, how true! If only that Member had practised what he was preaching. In the Budget of March 1993 (the first Budget for which the National Team held responsibility) the total expenditure was around \$153 million. In June of 1993, the National Team boasted that they borrowed US\$20 million, which they claimed could not have been borrowed by the previous Government, because the previous Government had no credibility. Further, in 1994, the National Team again borrowed \$4.7 million. At this time, there were also revenue enhancement measures of \$4.6 million. In the 1996 Budget, loan financing amounted to \$22 million. In the 1997 Budget (which came out in 1996), there were revenue enhancement measures to the tune of \$20 million. This was in addition to a loan of \$20 million.

Now in 1998 it is proposed to borrow another \$20 million. This position, Mr. Speaker, is further compounded by the fact that the National Team continues to funnel money away from the statutory authorities. For example, the Port Authority recently floated a loan to buy a crane. That Authority could have purchased the crane for cash, had the National Team not depleted the funds in that Authority. Then too, and I brought this up last year, Mr. Speaker, there is the duplicity surrounding the Infrastruc-

ture Development Fund and the Environmental Protection Fund, where monies are going out of these funds, again into the Treasury.

Mr. Speaker, do you know what the National Team's management reminds me of? Robert Maxwell and what he did to his pension fund. Robert Maxwell bled the pension funds of his companies and his employees. That is mismanagement by people who like to claim. . . and I suppose when I sit down they will get up and make the claim again. But I hope after they have made the claim, they answer the charges I put to them—that I am defunct? That I am a mongrel? That I am not successful? But I am serious! When they get through saying that, I want them to leave enough time to answer the questions I have posed, and for them to tell the country why they have done this, when they promised they would not raise taxes.

We have a way of expressing it on the street, when we say, *'That's the 'fust' thing they did after they were elected.'* I even hear some of their hard supporters crying over that, saying, *'Boy, Roy, they fool us, y'know.'*

So Mr. Speaker, I hope that the National Team realises that these are indeed serious times, and that there are those of us out here who are prepared to hold them accountable. What also needs to be realised is that in the time since they first took office in 1992, the National Team has doubled the country's budget—doubled it!—and will take the public debt into the stratosphere of \$100 million by the year 2000.

Mr. Speaker, if anyone believes that the situation is not serious, they need only take heed of what outside people are thinking about us. I am not even going to read this again—although its importance and starkness necessitates that it should be driven home—but we drew reference to this document before, The Dominion Bond Rating Service Report of December 10, 1996, when they warned that we are entering a debt spiral. I believe that this document was laid on the Table of the House, so you, Sir, can have easy and quick reference to it if you so desire, by making the request of the Clerk.

We are entering a debt spiral, and Mr. Speaker, I want to hear the National Team and their response when I sit down. Get up and crow and blame the previous Government now! Let them blame the previous Government now! I would like them to explain why, with all the pristine promises, they have gotten us into the shape we are in, and when and how they are going to get us out. Inflating the civil service! Ballooning the infrastructure! Competing with the private sector, when they should be slowing down, and pumping more into the General Reserves.

It is a fat time now, and nobody hears about any unemployment; the place is booming, the private sector and the public sector. Indeed, we have to keep bringing in more—which brings me to another point. What the National Team Government needs to realise is that the economic situation in this country is really not going to significantly improve for any long term unless they face the truth, and sort out the Immigration system we have where we have people here for years and years with no status! Dangling as if on a pendulum. No security of tenure!

Mr. Speaker, I make the point, Sir, that if these people were treated fairly and given security of tenure, they have plenty of money they could let loose in this economy. They would invest here. They have plenty of money! But they are holding onto it because they do not know when they are going to hear *'knock, knock, knock—Pack up and go!'* And we cannot blame them, Sir, we cannot blame them at all! So that is another challenge, an additional challenge for the National Team Government—that says it is the be-all and end-all—to get straight. I challenge them to do it! Deal with it! I will tell them that they will see the economic spin-offs, the positive economic spin-offs, if those people are dealt with the way they should be dealt with.

Mr. Speaker, it is not essential that the prince should have all the good qualities enumerated, but it is most essential that he should seem to have them. Mr. Speaker, to know what to do is one thing, but to exercise the political will and the honesty to do it is another thing. This country is greater than any of us individually, and is only as great as all of us collectively act to develop it in the best possible way.

I realise that under our system the relationship between the Executive and the Legislature can only go so far, because it is the Executive has the mandate to be the final arbiters and to make the final decisions. But I am saying that democracy demands and dictates that the dialogue be broadened and expanded, if for no other reason than, at this time, the persons coming into the Legislative Assembly are more educated, more prepared, more experienced—less willing to be extension cords. And ground can still be given without compromise. The balance of power can still be held by the Executive, by the Ministers who have that mandate. But at the end of the day, all of us are elected to do the people's and the country's business to the best of our abilities.

Posterity will not be kind to us if we ruin our country by gamesmanship and one-upmanship, not exercising the political will to do what is right when we know what is in the country's best interests. It is not my business, but certainly no one can fault me and say that I have been less than candid with proffering positions. I hope when I sit down, Mr. Speaker, that I do not hear any nonsense my advocating independence, or that I am radical, or that I am a communist, or that I am a socialist, or that I am defunct. I have heard that too many times, and that is immaterial. Believe you me, Mr. Speaker, as important as I think I might be, I pale in significance alongside the business of this country. So I do not want to hear that. My mother gave me my pedigree before I left home. There is no need for anyone to remind me of that in this Assembly.

Mr. Speaker, I have always prided myself on calling the shots as I have seen them. Before I wind up, I want to talk a little about some constituency matters. I do not know whose fault it is, I do not know who is to blame, but I want to make public a situation that I think is grossly sickening. There is an MLA office in Bodden Town. It is an office that I was instrumental in getting my good friend (the former Member for Agriculture and Works, Mr. Pier-

son) to set up. I used to have a key. That office is in the Civic Centre. I used to have a key to the Civic Centre and a key to the office. The locks have been changed to the Civic Centre, and the locks have been changed to the office, so I have been denied access to an office where I could meet my constituents in comfort and privacy in Bodden Town.

But I have access to an office, because Team Cayman has an office in George Town which I use. The point I wish to make is that that is typical of the National Team! And I know that is by design and not accident! But Mr. Speaker, what goes around comes around. The first game I learned was hardball, so I can play that game too. No, I do not want anybody coming to me giving me any key now, I do not want it! And I do not want any apologies either! They can keep the key and keep the apologies! And if the Jews are to have no dealings with the Samaritans, that is fine by me too! I can live that way.

[Addressing a Member across the floor] Maybe when you get up, you can explain it, but I do not want any apologies.

Pardon me, Mr. Speaker.

Mr. Speaker, I notice that some roadwork went on in the constituency, and I am appreciative of that. But I wish to make a point about the roadwork that was done in the Cumber Crescent/Gun Square loop. I received some complaints from the residents in that area. The road is just chip and spray, and it is very dangerous, because that is an area where from the time I can remember, from the time it opened up, young children play. The loose gravel is causing serious problems, coupled with the fact that the houses are very close to the road, and when the vehicles drive, they kick up the little stones. So I am wondering if some consideration could not be given to asphaltting the road to eliminate the possibility of the stones flying up, hitting someone in the eye, or breaking some windows. I hope that the Government can see fit to consider that.

I would also hope that in the next Budget year, we can get our library facilities. I notice that work is being done on the play field. Some work has been done, for which I am grateful. But I bring to the attention of the Government the request I made concerning the Cumber Crescent/Gun Square loop, and the fact that I am disappointed that we do not yet have the library.

Mr. Speaker, I believe that I have said all I want to say at this time. But before I wind up, I just want to say that I have always tried to be a responsible representative. And I will always try, as long as I am here, to cooperate, and to work to the best of my ability with the Government to do what is best for constituency and country. But, Mr. Speaker, I will not sacrifice my principles. I will not stifle my conscience for political expediency. I expect that when I sit down many things will be said. It really does not matter, as far as I am concerned. A lot of things have been said already, and everyone knows that my presence here is in spite of—and not with the help of—any Member of the National Team.

Mr. Speaker, when I was a young man leaving home, my paternal grandfather gave me a little note. I

learned some years after that he was not the author of that note, but it was something that he himself had discovered, and I want to share it, because it is something that I have always held close, especially as he was my hero. It goes like this: "If you are ignorant, the world is going to cheat you. If you are weak, the world is going to kick you. And if you are a coward, the world is going to keep you running." Mr. Speaker, I would not be the representative of my constituents if I were either of those three. And I would not be my grandfather's grandson if I were any less outspoken than I am. Thank you.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Thank you, Mr. Speaker. I will be keeping my debate of a high quality, keeping it positive, and keeping out of getting down in the mud because that is not what is good for this country.

While I will develop some of my arguments relating to this as time goes on, I would like to state right at the beginning that a lot of the statements made about the Budget are in fact not really facts. This year, Mr. Speaker, we have proposed to borrow \$19.5 million, but in that same Budget, we are paying \$17.41 million. The difference between what we are borrowing and what we are repaying is \$2 million. The results of what we have done are obvious. Go and look at the Hospital, look at the new buildings at the Schools, the George Hicks, the Primary School s. Look at the four new Health Centres that have been put there. These are things that have been paid for without very much of a net borrowing. So you cannot just look at one side of the table without looking at the other. That is short-sighted, and to take that approach is not a fully representing one.

Mr. Speaker, from 1992 to 1996 (and I will have better details of this in the morning), we repaid \$45,021,000 on loans, the majority of which we inherited. During that period, down to 1996, when you take out the Cayman Airways loan (which was really not our debt), we borrowed \$29.7 million. These are facts. Up until 1996 we had repaid approximately \$16 million more than we borrowed. These are tables I have been given from the Accountant General's office or the Treasury. These are things we cannot get away from. This is not as if what has been borrowed for the Hospital or the Schools has just gone up. At the same time we are bringing down the old debt that we inherited. So that is the first point.

The second point, Mr. Speaker, is that the Reserves of Pensions for Government have moved from \$6 million in 1992, this year it will be over \$40 million! We could have done what other Governments did and taken the \$34 million and put it into General Reserves! That is a tremendous sum! \$34 million has gone to pay for pensions that have been accrued over the last twenty or thirty years that previous Governments did not provide for. We have continued, though, to put each year, this year a million dollars into the General Reserves. It is therefore, Mr. Speaker, quite clear from the Budget that the Budget is well-balanced, because we are contributing again from the recurrent to the capital in the area of \$13

million. So that is \$13 million that we are spending less than we are taking in from General Revenue and we are contributing that to capital and to capital acquisitions.

The capital is high, Mr. Speaker, but like I said before, we are doing some very large projects. Surely, a person's health is one of the most important things on this earth. And the Honourable Minister for Health has done a fantastic job, finishing four clinics and he will finish, God willing, the Hospital during his tenure, perhaps the only Minister who has ever totally achieved everything he promised to achieve!

Figures, Mr. Speaker, do not lie. These are facts. If we look back somewhat, we will find that only twice in the history of this country was there ever a Budget that was not balanced. In other words, when money was borrowed to pay for civil servants' salaries and expenditure, and that was to the extent of \$1.2 million in 1990 and \$3.6 million in 1992. In every other year, there have been very heavy contributions to capital. In 1993 we contributed \$11.2 million to capital. In 1994, \$13.9 million. In 1995, \$26.3 million. In 1996, \$23.6 million. And this year we expect in 1997 to contribute \$14.5 million.

But Mr. Speaker, the proof of the pudding is in the eating. Look at the economy of this country! How in the world can anyone stand up in here and say that this country is not progressing, when you look at an economic boom that has extended over the past 4 1/2 years? That is the proof! People who cannot see it, Mr. Speaker, are not wanting to see! And we must take, in this Legislative Assembly, for the good of the people of this country, because we are three years away from an election, leave the rhetoric, leave the mud-slinging until down then when tempers rise six months before the election. But let us get on with this country and try to move it forward and help the people in this country.

Now, I have had to shut my ears to the little rumblings I hear on the other side. I am not going to let anybody pull me down in the mud on this debate. I am going to keep it positive and I am going to keep it in good spirits.

We have seen the Budget of this country continue to expand. The economy has expanded. We have over-employment. It is a fact, Mr. Speaker, that we do not have sufficient people in this country to fill all jobs, because the economy—not just what we have done, but also past Governments—has been so good for a very long period of time, and our population is small. I would like to just dispel a rumour that started a couple of mornings ago on the television, that there was no money for education. I think it was my friend the Third Elected Member from Bodden Town. Because looking at the Estimates, which the Member must have had . . .

Mr. Roy Bodden: Mr. Speaker, on a point of order . . .

POINT OF ORDER
(Misleading)

The Speaker: Let me hear your point of order, please.

Mr. Roy Bodden: Mr. Speaker, the gentleman is misleading the House. That was not the statement, Sir.

Hon. Truman M. Bodden: Mr. Speaker, I have vowed not to get into any argument. I am going to move on. Somebody made a statement, Mr. Speaker, that education was not getting enough money. And the Estimates are very clear. . . Mr. Speaker . . .

Mr. Roy Bodden: Mr. Speaker, do I have a point of order?

Hon. Truman M. Bodden: How can you have a point of order when I have not said anything since?

The Speaker: I have to hear what you are talking about before I can understand.

Mr. Roy Bodden: Mr. Speaker, the statement made on the television was that there was no explicit mention of education in the Budget—education and training, Sir. And the Honourable Minister should withdraw his misleading statement otherwise.

The Speaker: I did not hear the Honourable Minister say that, but would you please explain?

Hon. Truman M. Bodden: Mr. Speaker, I do not want to have an argument in here. I withdraw whatever was said. All I am saying, anyone who says that education has not gotten its share has to be blind to the Budget, because it is clear. You look at page 15, and in 1997, Education was receiving \$22,920,000, and in 1998, \$24,066,000. Now you cannot just take, Mr. Speaker, one or two lines out of what the Budget says. The Budget Speech cannot put everything in. But it is very clearly here in the Estimates. And this House has always been kind to Education. And this year is no exception.

At present, we are showing Education with 15% of the total Budget. That is the highest in any developed country that I know about. So not only have we increased up there, but throughout the pages, Mr. Speaker, it is very clear that education has continued to do well. There are new things in this, for example, site-based planning has the sum of \$173,000 in it. That is to deal with planning on the sites. And the ambit of the vote sets out clearly what has been done, and the new services, Mr. Speaker, provide for approximately another 13 or 14 officers, mainly teachers, for the schools. This is found at page 182.

I am developing this, Mr. Speaker, because it is very easy for people to make implications and give the wrong impression to the public, when those persons should know what the truth is. Throughout this Budget, there are very clear and defined sums which I do not want to have to get into too much detail (I know that is not what is for here), but to dispel this rumour that has been started, I would like to just mention a few of these things to show that education has gotten quite a bit in this Budget.

Beginning at page 259 (I will move very quickly), there is a sum to install a fire alarm system at the John Gray High School. There is re-roofing and upgrading/extending covered walkways at the John Gray High School; refurbishing works at John Gray; construct phase 2 of the George Hicks, comprising art block, changing facility and extension to administration building at George Hicks; install fire alarm and upgrade fire alarm system at George Hicks; re-roofing and upgrading of walkways at George Hicks, and these are sizeable sums, that is like \$100,000, for example. Replace windows on north and south side of all buildings at George Hicks (I am not too sure why they are replacing all of them there, but . . .); various minor refurbishing works at George Hicks; extend fire alarm system at old building at West Bay Primary; re-roofing walkways at North Side Primary; landscaping and bus shelter at North Side Primary; Red Bay Primary field (and that is well on now); construction of a new playfield to the Red Bay Primary School, and it goes on and on.

Just a few other areas: Community College - there is a sum in there for the plan and design of a sewage plant to go in for the George Hicks, John Gray, Community College, and the Truman Bodden Sports Complex. And then there is a new schools' programme in there, Mr. Speaker, where we will now start on the plans for a West Bay and George Town Primary School and also for a new secondary school for Grand Cayman.

There is a programme to air condition, insulate classrooms, which is something we promised; the money is in there to begin it. There are the high schools: a programme of new development, renovation projects for high schools in Grand Cayman and Cayman Brac. Once again, renovation of projects in Primary Schools in Grand Cayman and Cayman Brac, and these are sizeable amounts. New development and renovations are \$1,214,000. The one I referred to before is \$753,000, and there is \$1.5 million for the primary schools. It goes on — re-roof, Cayman Brac programme for buildings at Cayman Brac high school, re-roof and upgrade breezeway and covered walkway at the East End primary school, re-roofing programme to buildings at Spott Bay primary, replacement programme for fence at Creek Primary school, construct new facility for 150 students, that is at Light-house School, and a million dollars is in there to begin that. The Red Bay Primary Admin., construction of a new Admin. Block, the Red Bay Primary, the schools, Mr. Speaker, have gotten their fair share out of the Budget. In fact they probably have gotten one of the largest slices of the Budget on the capital subject to the new Hospital, the new health facilities.

So it is very clear, Mr. Speaker, that anyone who says that the schools are lacking in anything or not mentioned in the Budget, they are definitely are mentioned where it is important, and that is in this document which has the money standing against them.

The Speaker: Would this be a convenient time to take the afternoon break?

Hon. Truman M. Bodden: Yes, Sir.

The Speaker: We shall suspend for fifteen minutes.

PROCEEDINGS SUSPENDED AT 3.34 PM.

PROCEEDINGS RESUMED AT 4.07 PM.

The Speaker: Please be seated. Proceedings are resumed. The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Thank you, Mr. Speaker. The Planning Department has continued to process more and more applications, and for the first time, projects have actually exceeded \$200 million in the last year. This year as well there is also a record up to the 10th of September of 968 applications with a construction value of \$158 million. What is significant here, Mr. Speaker, is that the time of hearing of applications has been reduced from about 90 days to about 42 days. Out of that period is a mandatory 21 days of notice that has to be given to the public, which normally stretches into about 28 days.

When the development fee was put on early in the year, there were the prophets of doom, and many of them in the real estate and construction industry, saying how this was going to cause a recession. In fact, I remember one of the local architects actually saying that land would not be sold in these areas. I am very happy to say that the value of land, and I am reading here from the Honourable Financial Secretary's speech, "**The value of land transferred as at August 1997 was \$199.3 million, some \$15 million more than for the same period in 1996.**"

There can be no doubt. And what is even better than that, the revenues received from land and property transfers increased significantly this year from \$15.8 million to \$17.8 million, an increase of 10.7%. So the prophets of doom there, Mr. Speaker, I think the Government has shown that what is really important in a country is stability, and people who have a positive and upward-thrusting approach to the country's economic and financial position.

Also, I am happy to report that the appeals process is now considerably reduced, and in fact there are not many pending appeals that remain. At one stage I think it was only about eight or nine, and these have been effectively heard by the Appeals Tribunal. I guess Planning's greatest effort in the last 20 years has been on the Development Plan which, Mr. Speaker, thank God, has now passed and the country for the first time since the 1977 Plan, does have a Development Plan.

In Planning, the move now is to begin the public procedure on the Cayman Brac and the Little Cayman Development Plans, which will be dealt with in accordance with the wishes of the people of those two Islands. Hopefully by early in the year the public process would start on that. There will be proper consultation, Sir, with the MLAs and the public generally on this matter. I think the time has come when both of those two Islands (and I believe it is right) should have a plan—a plan that the people want

to have, to guide them over the next five or ten years, however long it remains in.

The only other area (and this really is under Aviation, but it relates to those Islands, Mr. Speaker) is that I hope within the next month or two to begin the advertising process for the Little Cayman airport. That would be one where I would once again consult, put it out to the public and hear whatever representation is made on it. That I think is long due, and if I can, during my tenure the next three years here, if God spares my life, be able to deal with the two Brac and Little Cayman Development Plans, and get the Little Cayman airport in place, I think it will set Planning in a position where the Islands can now move forward and do so with certainty, and in an organised way.

I am happy to say that despite what has been said about plans, there is in place a plan that is updated annually on Education, also on Cayman Airways, we know this in many other areas, Tourism, Hospital, Drugs, Rehabilitation, Port has a plan, Agriculture has a plan. So there are many plans there, which the medium term financial plan will draw on and will do a comprehensive overall relating specifically to the financial aspects of the country. That will hopefully come this time.

But many of the individual plans, such as the Development Plan that deals with the physical side, are important that they are stand-alones, because they deal with this country's main resource of wealth—land. And it is one that the Caymanian public has a full and very long democratic process in having their say into it.

Mr. Speaker, those plans provide the basis for the country moving forward, and if these plans had not been in place, and a stable Government, a stable Legislature, when I say that, in place, we could not have progressed as fully and as rapidly as we have done. And what I would like to ask, and unfortunately, so far we have not really heard this, it is all well and good for persons who regard themselves as opposition to criticise, but my question is always, where are the solutions? In this life, anybody can criticise. But I am asking that they now come forward constructively with solutions to the problems. The country does not want to hear a lot of talk that is just tearing the country down, they want solutions. This is what the National Team and the Government has done, and it is a duty on a responsible Opposition to be constructive and produce solutions. I am still waiting to hear those solutions when the other two Members get up later on.

The New Zealand plan, and whatever may be said, Mr. Speaker, is the one thing that the Opposition cannot say, we have consulted more in this Government than has ever been done. When I was opposition, Government would not even speak to me for four years! We never had a meeting with them! And we have tried to, we circulate bills in draft, there was consultation on First Cayman Bank, which I will deal with later on. And also on things like the Cuban crisis, things where we had to get together, and we continue to do this, extending the olive branch and trying to get them into a constructive mode.

So the New Zealand approach, Mr. Speaker, I have had a bit of time to read on this, and I was really interested to see how brief that aspect of the Budget was. In fact, education was summed up—I do not necessarily want to go into a lot of depth on it, on three-quarters of a page. They set targets, they have a strategy, money is given in fairly well in bulk to them, they are expected to meet those targets. I have no problem with that. What it will do, Mr. Speaker, is it will remove this massive document we have here, all the little details I read out, of all the nice things being done at the schools that I have money for — that will go, and the thrust as I understand it, will be that the Minister for that area will be given a vote and targets to meet, and it is up to them, with some flexibility within the Budget, how they attempt to reach it.

And while on that, Mr. Speaker, the present Budget, while it is going through a stage of reform, has done a lot to make things simpler. It is still very heavy. But for example, you may have votes that were split between three different areas. It was nearly impossible to go through the old Budget and add up all of the amount for your vote. In fact, at times, I must tell you, I too would get lost in it. Now it is set out much clearer, and there is a heading, a subhead 54, that pulls this all together. So you can look down now and see how much education is getting overall, you do not have to look under three different heads, depending on where it was financed or whether it came out of local revenue or whatever. And the summary that is set out in the front of it is also very good. But it is going through a stage of change, and we cannot expect miracles overnight on this. But I congratulate the Honourable Financial Secretary because this year has been a difficult year generally. A lot of his time had to be taken in other areas of responsibility while the Budget and the Deputy Financial Secretary and all of their support staff, the economists and everyone who, budget officers who were trying to deal with this. But I think you have to look at the good points. And one of the main things now is that there is a consolidation of votes, and you can look up, at least I can look up and see with certainty, rather than having to add up part of it as coming out of a loan or part of it out of local revenue, or part stuck somewhere else.

I believe that the reinvention process will bear results. We have to give it time. It is no good attempting to judge results until it runs its process. And I believe that with the costing of services, that that is attempting to achieve, that we will for the first time be able to look at a specific service and say, It costs x dollars, why are we not collecting the money for it? Or this is how much we are losing on it.

I too share the views of the Third Elected Member for Bodden Town, that perhaps the civil service, at 2,576 posts is obviously getting heavy. It is consuming more and more of the recurrent Budget, but I really think that the reinvention process needs to run its course and we need to see exactly how that will impact on all of this. And in fact the largest recurrent expenditure increase was in the area of the largest single amount was in the area of salaries, which naturally includes salaries for us here, not just civil servants, but also for MLAs and all expenditure.

Moving on from that to just give a few more statistics on this, the Planning Department is well-staffed at present, and it is working well, and like I said, I get and I review normally about every two weeks, a full spreadsheet and an ageing form on all applications that come in, and when they are there too long, we query them, try to find out why they are not being speeded up. We still have staff shortages in Cayman Brac, and I think especially with the coming in of the Plan, we must reach a stage where there are sufficient staff to cover Cayman Brac and Little Cayman, both on the planning and on the enforcement side. Because for the Development Plan coming in, it is going to be important that the persons are in place to effectively make that operate and to ensure that people are building in accordance with the Building Code, which does apply to them and keeping it to high standards.

The Civil Aviation Authority, Mr. Speaker, reached its height this year when we had a Category One status for it, and that is basically the highest category that a civil aviation authority can have. It is an international acknowledgement of the highest safety, the highest performance that can be expected of any country. I would like to congratulate the staff there. It was a lot of hard work — I know I did a lot of hard work between Christmas and the New Year of last year on this. Also a number of areas started by the former Minister, such as Immigration arrivals hall, the Customs hall, the departure hall, those extensions were completed.

Earlier this year, Mr. Speaker, the Civil Aviation Authority installed a new traffic control satellite system that allows direct communication with Jamaica, and it increases the Civil Aviation Authority's efficiency. Currently this system is used by nine countries in the region, including Cuba.

The Tariff filings are always detailed, but we continue with that, and in due course, that will be turned over to us by the United Kingdom Department of Transport. We have worked hand in hand with Tourism on this to ensure that the airport is such that it is conducive to both local and persons and tourists who are coming in, and that things flow smoothly, and also with the Immigration and Customs. I know sometimes we get long lines for Immigration going out when several planes are scheduled to leave, and we try to separate them as far as possible, but sometimes this is not all that easy.

While I remember, I just have one point from May's *Parliamentary Practice* on the Budget in the United Kingdom. What I understand from there is that on the contents of the Estimates, 696, "**the estimates [which is what the booklet we have with the Estimates here] are limited to setting out only the sums which it is calculated will be paid in the current year, and do not show the value of assets held or the liabilities outstanding from the previous financial year or to be spread over future years.**" And it is divided up, Mr. Speaker, and part one gives a formal description of the services to be financed from the vote known as its ambit. The ambit is reproduced in the Appropriation Act and provides a statutory description in that Act of the purpose which the supply demanded in the Estimate is granted.

They obviously do not have what in the present Budget is basically policy. The fact, for example, that I have amended the Planning Law, I have amended the Education Law.

It seems that the form of the Estimates in the United Kingdom is a much simpler and a much smaller document, perhaps more along the lines of what New Zealand has suggested. And I know that when this document gets cut down, everybody in the Budget Department will breathe a sigh of relief. But as the Third Elected Member for Bodden Town said in an earlier address when this motion was moved, about the New Zealand system budget, it leaves a scope of flexibility.

Tomorrow I wanted to really deal with the fact that many times the supplementary estimates are duplicating money that is in the budget but for another purpose that is never used. So sometimes you may get \$20 million worth of supplementaries, or \$30 million or whatever. At the end of the year, the total budget is no more, because you have to get new approval for something new, and the old one falls away. So I would welcome something where targets are set. I am used to dealing with that, and where you are expected to achieve those targets, or you have to explain them and naturally face this Honourable House if you fail to do so.

But I have every confidence that our very able and capable Financial Secretary will deal with the transformation of that over this coming year, and I believe it will be a relief to all of us to see a much smaller document, and a lot less detail than we have at present.

MOMENT OF INTERRUPTION—4.30 PM

The Speaker: Would this be a convenient time to adjourn?

Hon. Truman M. Bodden: Thank you, Sir.

The Speaker: I would entertain a motion for adjournment.

ADJOURNMENT

Hon. Truman M. Bodden: Yes, Sir, I move the adjournment of this Honourable House until 10.00 AM tomorrow morning.

The Speaker: The question is that this Honourable House do adjourn until 10.00 AM the 14th of November. Those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it. The House do stand adjourned until 10.00 AM tomorrow.

AT 4.30 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM FRIDAY, 14TH NOVEMBER, 1997.

**EDITED
FRIDAY
14TH NOVEMBER, 1997
10.13 AM**

The Speaker: Prayers by the Second Elected Member for Bodden Town.

PRAYERS

Miss Heather D. 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed. Item number 2, Questions to Honourable Members/Ministers of Government. Question number 163, standing in the name of the Third Elected Member for Bodden Town.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

QUESTION NO 163

No. 163: Mr. Roy Bodden asked the Honourable Minister with responsibility for Education, Aviation and Planning why did Cayman Airways Ltd discontinue the Atlanta service?

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, the Atlanta service was operated via Tampa, which resulted in it being given a low priority display in the airline computerised reservations system. These reservations systems are the most potent marketing tool available to airlines. Because of its indirect routing (via Tampa), the service did not attract sufficient transfer traffic at Atlanta; as a result, the route was not showing sufficient growth. However, the ATL/TPA/ATL sector took up an extra 3 1/2 hours of aircraft time which impacted negatively on Tampa and other scheduled services.

Dropping the Atlanta route made more capacity available on Tampa and significantly improved the Tampa, Houston and Kingston routes. It also allowed a Wednesday afternoon flight to Cayman Brac. The airline has already started to see an increase in Tampa traffic.

SUPPLEMENTARIES

The Speaker: Supplementaries? The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker. Based on the answer just given by the Honourable Minister, could he say if, when the feasibility study was done, all of these facts would not have been known? Or did they have to go through the motions to find out?

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, this was done prior to my time in Government and I would have thought that the 1988 to 1992 Government did carry out a feasibility survey, and perhaps the Honourable Member could ask — we do have one of the previous ExCo Members in here. I would have assumed a feasibility study was carried out, and presumably they acted on it. But, like I say, it was before my time. This was done with the 1984 to 1988, or maybe the 1988 to 1992, somewhere in that time.

The Speaker: First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker. I hear what the Minister is saying, but I have never heard of that Minister listening to anything that was done by that previous Government before, so why this time?

Hon. Truman M. Bodden: Mr. Speaker, I gave a very straight answer. I am not in here to argue this morning,

Mr. Speaker. The fact of the matter is that I did not do the feasibility study, so I do not know! And the only way that Honourable Member can find out is to ask the Government that did the feasibility study. That is a statement of fact. I do not want any argument. If I knew the answer to that, Mr. Speaker, I would tell the Honourable Member. But I do not have the answer of six, eight, ten years ago when this was done.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. Can the Minister say how long this route was in operation?

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I know it was longer than six years, because I have been in Government nearly six. It was started, I would say, maybe — it had to be somewhere in the 1988 to 1992 Government, I would have thought, Sir.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Mr. Speaker, I had hoped that the Minister could have been more precise than that, because this is a serious matter. My question is, how long did it take his administration to find out that the route was not profitable?

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, if the Honourable Member looks at the question, he will see that what I have said is that it was not showing sufficient growth. That route probably always has been unprofitable. However, when with the two aircraft and operating out of Tampa, the decision of the Board was to carry it on for a while, but if you are looking at the unprofitable side, it should never have been started. And that decision should have been taken ten years ago.

The Speaker: Member for North Side.

Mrs. Edna M. Moyle: Thank you, Mr. Speaker. I wonder if the Honourable Minister would say if sufficient growth on the Atlanta leg of Cayman Airways was due to the fact that it was stopping in Tampa, and if any study was done to see if a direct flight out of Atlanta would have been a profitable leg for the airline.

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, that was looked at. But with only two aircraft, we do not have the

capacity to run directly in. It is a very long flight, and it would have taken up far more time than this. However, the other thing that has to be remembered is, at the time this route was established, Cayman Airways had three brand new 737-400s, one 737-300, and one 737-200 — had five aircraft! But the question is very relevant from the point of view of when we do get a third aircraft, I think that study should be repeated, because it is a good route, and I do not understand either why it just did not do better. But I believe the stop in Tampa was it. So what the lady Member has proposed, once we do have a third aircraft, I would see that a study is carried out, because I think she is probably right on the point, that it is a good route if run direct.

The Speaker: First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister say since his administration took over in November of 1992 how long during that administration before the decision was made to stop the Atlanta route?

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, it was stopped this year, so it would have taken five years to do so, if I add up right.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Minister then say that his administration operated that Atlanta route longer than any other one?

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, probably so. This Government was stuck with so many bad decisions of the past, it took us some time to unwind them.

The Speaker: First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Minister then say that based on the many problems his administration encountered when they took over, this was not a priority, and five years then was a very reasonable time to have made the decision while the route was losing during those five years?

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, that is an opinion and I am not going to attempt to give it. But all I would say is that the decision was taken by the Board.

I would like to explain something. Atlanta contributed to the direct cost. There are two areas of cost in the air-

line business. One is direct, one is the indirect cost. Provided that the airline on a route is having a contribution over and above the direct cost to the indirect cost, then it is regarded as a route that, even though the net profit is not there, there is a gross profit going in to it. And Atlanta did contribute to that bottom line. However, with two aircraft, the feeling was that this could be better used, as we said, on the other three routes as well as doing Tampa direct. So while there was a net loss on the route, Atlanta actually contributed to the bottom line. In other words, the jets would have been doing nothing during that stage, so it was better to have a contribution in towards that, provided it was paying all its expenses. And it did always pay its expenses. I want to point that out. The cost of fuel, of the landing rights, all this, were paid for.

Over and above that, there was, if you want to put it, a recurrent profit that went towards the fact that you have a jet you are already paying for, you have pilots you are already paying, you are already paying all the staff at Cayman Airways who do the ticketing and who do everything else. There always has been a contribution to that. So it was not as if Cayman Airways was out of pocket on the route. It is just that it did not have as substantial a contribution to the indirect costs of the airline as did other routes.

I do not know if I have made that clear, because in the airline business, when you have equipment, you already have staff in place, this is the indirect costs, and the contribution to that was — So we were showing a profit on the direct costs, fuel, landing, food, this sort of thing. But not when you put in the cost of the jet, the cost of staff, which you allocate to each route.

The Speaker: The Member for North Side.

Mrs. Edna M. Moyle: Thank you, Mr. Speaker. The Honourable Minister has said in his answer that the dropping of the Atlanta route has significantly improved Tampa, Houston and Kingston routes. I wonder what this has done to improve the Orlando route, or would it have been better to drop the Orlando route and do a direct flight from Atlanta?

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, the view of the Board was that it was better to do improvements on four routes, rather than to do Atlanta direct. But as I have said to the lady Member, and she does have a point, I think when we have a third plane — which hopefully we will find a third plane we can buy, because we are now buying one and leasing one — then I believe that the point she has made would show that that is a good decision. Hopefully we will find a jet this year or next year, and I know it is the will of this House, because everyone in here has said, You buy a jet, you do not lease it, and I fully endorse that. I have no end of questions on this. We are trying to find a jet to buy. But as I said, I think I gave a reply to a question on that. We have been trying, we just

have not been able to match the two jets. When that happens, I think we can actually buy a third jet, then . . .

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. Can the Minister say what arrangements, if any, have been made, so that Cayman Airways can still benefit from traffic out of Atlanta.

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, we have entered into, or are in the stage, rather, of entering into, arrangements for Delta (which we are handling that is coming out of there) and I think this will assist us.

Let me just say something that I think is very important here for us to understand and to accept with these routes. While I have to look at what is good for Cayman Airways, I have to first look at what is good for the Cayman Islands and its people. We will have that Atlanta/Cayman flight done by Delta. So Cayman as a whole will benefit from it—tourists will continue to come in on that route. Agreed, Cayman Airways is not running it, but the overall benefit to the Cayman Islands and to tourism and to the local residents is there. There is still a route — it is beginning, I think, the 6th of December — coming in there. Cayman Airways will handle Delta.

We will still see the benefits to the Cayman Islands as a whole, but yes, it will hurt Cayman Airways as it has given up a route. But it was one we just could not sustain, because like I said, the bottom line really showed that with two planes, it was better to improve on the other four routes.

And let me just say, this is a decision of the Board of Cayman Airways, and I have to rely on their good judgement in it after study was done that showed this.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Mr. Speaker, having listened carefully to the answer given by the Minister for Aviation, I think it leaves me more confused than ever. I am not sure whether the Honourable Minister —maybe could clear this up — is suggesting that because of all of the benefits derived from other airlines, the Cayman Airways under the National Team administration is maybe now becoming redundant.

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, I have a good sense of humour this morning, and I guess I will just smile with my good friend, the Third Elected Member from George Town, because all I would say, Mr. Speaker, and the Honourable Member take this in a way of jest — his Government bankrupted and just about got rid of

Cayman Airways, but thank the good Lord, I have not come for any extra money for five years since I have been here. And if I were thinking of making Cayman Airways redundant, it would not be my decision, it would be a decision of the people of this country, and a resolution of this Honourable House, because as the Opposition Members know, I always keep them up to date on all the important matters, and I meet with them, and I would undertake to meet with them if the thought ever went through my head. But I would never make Cayman Airways redundant unless we got back to where we were in 1991 where we were losing fourteen, fifteen million dollars a year. Then I think the public may well say, 'Look, bite the bullet and do something.' But we are not in that stage any more. The airline has stabilised, and it is moving on. It is doing a lot better now than it has ever done. And we own a jet, in fact, Mr. Speaker, talking about redundancy, for the second time, first during the Jim Bodden administration, we bought two jets which, as we know, were sold, twelve and a half million dollars were spent. But we now have another jet that we only owe three million dollars on and it is worth seven and a half million dollars. But it is not in Cayman Airways.

The four and a half million dollars profit on that jet is not in Cayman Airways, it is in a separate company, and it has therefore made Cayman Airways look worse from a financial point of view, because Government owns the jet in a leasing company. But that is four and a half million dollars worth of profit that has been built up over maybe three years. And we are buying those jets again, so I hope Governments in the future just do not make the mistake of selling the two jets as they did the 727-200s and spent the twelve and a half million within about nine months. But I am not going to say any more about the past, Mr. Speaker, I need to get back to the future.

The Speaker: The First Elected Member for West Bay.

Mr. W. McKeeva Bush : Mr. Speaker, I do not know if the Member gave this answer in his substantive answer or in supplementary, but can he say whether the re-scheduled service, since dropping Atlanta, provided Cayman Brac with a better service?

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Yes, Mr. Speaker, we put in an extra flight on Wednesday afternoons, and also we improved, as the Honourable Member knows, the Tampa times and the Houston and the Kingston times as well. Yes, I am glad my Honourable friend there reminded me to remind the Legislative Assembly.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Thank you, Mr. Speaker. I want to thank the Honourable Minister for his good mood this morning. In answering me, Mr. Speaker, he failed to ex-

plain to the House that they are operating two old planes, and that he does not seem to be able to get out of the time capsule from 1988 to 1992. The Honourable Minister has not answered my question, and I wonder if he would stop being a little frivolous and now seriously answer my question.

The Speaker: The Third Elected Member for George Town, would you repeat your question please to the Honourable Minister for Education, Aviation and Planning.

Mr. Linford A. Pierson: I am amazed, Mr. Speaker. The Honourable Member answered a question and he did not even understand what it was! My question was, in view of the information given by the Honourable Minister as to the benefits derived from the airlines coming in to the Cayman Islands, benefits derived by Cayman Airways with two old planes, is he suggesting that Cayman Airways may be now becoming redundant?

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, first to deal with the old planes. We had two new planes, two 727-200s, one was eighteen months and one was six months, which that Honourable Member's Government sold for twelve and a half million dollars, spent it in 1992, spent it within nine months, so that is the first thing. And we were buying those two new planes, Mr. Speaker. 727-200s carried 165 passengers, had first class.

They then leased three new planes that just about bankrupted the Government. It was \$105 million — \$105 million in contingent liabilities. They flew them for a few years, but within nine months, Mr. Speaker, came to this House and admitted they made a mistake. They could not afford them.

The two planes I now have are newer than the two old planes I was left with when they took back the three new planes. In fact, Mr. Speaker, one of the jets that my good friend, the Third Elected Member from George Town's Government left me with was one-third older. They were twenty-odd years old! At least the ones we are buying now have a good value and they are much newer. But the fact is, Mr. Speaker, if this Honourable House wants to buy two 737-400s, I can tell you what they cost. They are round about \$70 million. And the least cost then was \$312,000 per month per plane, in other words \$3.6 million a year per plane! They were losing \$14 million a year which this Government could not afford. The people could not afford. The people had to take the money out of their pockets and pay — and Mr. Speaker, I am going to go into this a bit later — they had \$40 million of debt in 1992, and I am going to lay, if I need those accounts, on the Table to show the debt that was run up on the three new planes.

Mr. Speaker, there were options to take a further two 737-400s at another contingent liability, I think in the area of \$95 million. Now I did not get rid of the three new planes. The people who owned the planes and leased

them took them back because the Government that my good friend, the Third Elected Member from George Town piloted between 1988 and 1992 could not pay for them! They could not pay for one of the jets. In fact, Mr. Speaker, buying two 727-200s, the two new jets that the last Government sold, we were only paying \$105,000 per month. In other words, we were paying about \$1.2 million per jet. So they could have bought two bigger planes for two-thirds of the cost of renting one plane! So I have two old jets because the 1988 to 1992 Government bankrupted Cayman Airways, and because the lessors took back the three new jets they had and one went — the 300 went in the North Sound — and that went back, too.

Now the question of — the other thing, Sir, the 727-200s took 10,000 pounds more freight than we can take on these 737-200s, and yes, they are not as good planes as our 727-200s that we were buying that were sold, but they are all the country can afford, and they are good, safe jets. And they are newer jets than the two 737-200s we were left with when they took back the other three jets. So the question of redundancy, Mr. Speaker, is not one that I would wish to raise, and if the Honourable Member thinks that Cayman Airways should be made redundant, let him go and talk to the 250 staff they have here and also to the public and see what they will say.

The Speaker: Honourable Members, I think we have gone far away from the substantive answer. I would ask Members, let us try to return to the question that is before the House. The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Mr. Speaker, thank you Sir. On a point of clarification: I heard the Honourable Minister say that he consults widely with the Opposition. I do not know, Mr. Speaker, whether that is a deliberate attempt at falsehood, or just a statement which was made unintentionally, I wish to declare for the record of this Honourable House that that is as far from the truth as east is from the west. The only time. . . and, Mr. Speaker, I am eminently equipped to make this declaration, because I got up here on the 27th day of November, 1996, and declared myself the Opposition—although now it seems that there are other people—the only time that Honourable Minister seeks to consult the Opposition is when he is in trouble to his neck out of political expediency, and when he is looking for help and sympathy. Let it be borne out in the records of this House that his statement of ‘wide consultation’ with the Opposition is a falsehood.

Hon. John B. McLean: Mr. Speaker, on a point of order, this is question time, and I have listened long enough to a statement.

The Speaker: I think I will let the Member continue, but I agree that we are at question time. But please continue what you were doing, the Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. I consider that I have made my point.

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, in reply to that statement, the Third Elected Member from Bodden Town, when he was the First Elected Member from Bodden Town with the National Team, signed a statement in opposition stating basically what I have said—that the Honourable Member, the Third Elected Member from George Town, should not have sold the 727-200s. He, Mr. Gilbert McLean, myself and other Members signed it. So he has to agree, Mr. Speaker, with the statement I have made, and it was a very hard, harsh minority statement put in signed by all of us. We were all in . . .

Mr. Linford A. Pierson: Mr. Speaker, on a point of order.

POINT OF ORDER

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I think you gave a ruling on this already, that we were going to move away from this subject. Now if we are going to continue, I would like to say more about it too, but I think we should move away from it.

Hon. Truman M. Bodden: I agree we move away, Sir.

The Speaker: The First Elected Member for George Town. Let us try to go on a different avenue, please.

Mr. D. Kurt Tibbetts: Mr. Speaker, in one of the answers the Minister gave to the question, he mentioned that the Atlanta route was operating with a gross profit but not a net profit. Could the Minister state if there are any routes that Cayman Airways operates presently that do operate with a net profit?

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, that is not a part of the question. I am not going to get into it. If we open up a whole different area on the other four or five routes, we will never get out of here today, Sir.

The Speaker: I am going to allow two more supplementaries on this question and then we are going to move on. The Fourth Elected Member for George Town.

Dr. Frank McField: Mr. Speaker, thank you very much for your attention. I have been trying to get that for some time. I wanted to briefly say that I think that the Minister for Aviation says he is not doing politics, but I perceive that there is a political dialogue between the two sides of the House. In my capacity as an independent Member of

the House, I would just like to ask the Minister whether the discontinuation of the Atlanta route had to do with the fact that it is now being served by another airline, whether it is conceivable that other routes will be discontinued that are being serviced by other airlines as well?

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, I would like to answer this by saying that at present there are no others that are under review, and also to point out, Mr. Speaker, that none of the references in the earlier supplementaries there actually were meant towards the Fourth Elected Member for George Town. I was really just dealing with the three Members who were asking supplementaries.

We keep the routes under constant review, and from time to time the routes are looked at, normally annually.

The Speaker: Any further supplementaries? No further supplementaries. Question number 164, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 164

No. 164: Mr. Roy Bodden asked the Honourable Minister with responsibility for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation how many new posts have been created since January 1997 in the Health Services?

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Thank you, Mr. Speaker. The answer: One hundred and eleven (111) new posts were approved in the 1997 Budget, with funding being provided on a phased basis to coincide with the development of new services and the commissioning of new facilities. From 1st January 1997 to 15th October 1997, 64 new posts were established and staff were recruited to fill the vacancies. It is anticipated that all new posts approved for 1997 will either be filled or in the process of recruitment by the end of December 1997.

And Mr. Speaker, for those Members who may wish to see the actual breakdown of these posts and what they covered, they may be found in pages 401 to 403 of the 1997 Budget document.

SUPPLEMENTARIES

The Speaker: Supplementaries? The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. Is the Minister in a position to say how many of these posts are being filled by Caymanians?

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Mr. Speaker, I do not have that information with me, but there is another question coming later on with which I will provide that information to him.

The Speaker: The Third Elected Member for Bodden Town, supplementary.

Mr. Roy Bodden: Thank you, Mr. Speaker. Can the Honourable Minister state whether all of these posts have to do with the new Hospital facility?

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: No, Mr. Speaker, approximately 35 of the new posts were required to meet existing demands on the Health Services. As we know, the nurses specifically worked many, many long hours of overtime, and this was one of the areas we needed to address and to relieve that problem.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. Can the Honourable Minister tell the House on what basis was the number of new posts arrived at? In other words, whether there had been any kind of study done to determine the actual number and designation of these posts.

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Thank you, Mr. Speaker. The posts are the result of considerable research, and a filtering process carried out first by the New Services Working Group, and then by the New Services Working Group subcommittee. The first-named Committee consisted of medical personnel from all areas of the Health Services Department, chaired by the Chief Medical Officer. The second was chaired by the Senior Assistant Secretary in the Ministry of Health, and to name some of the other members who were on these Committees that did this amount of research were the Director of Health Services, the Chief Medical Officer, the Chief Statistician, the Accountant General, the Chief Nursing Officer, the Health Services Accountant, the Assistant Secretary in the Finance and Development Unit, the Senior Nursing Officer, and the acting Senior Information Officer of Government Information Services.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. Can the Minister say whether this number represents the full complement of staff which will be needed for these services, or whether it is anticipated that additional staff may have to be used?

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: No, Mr. Speaker, this is not yet the full complement. We are trying to do this as the Hospital keeps coming on line, the different sections of it, and in the New Services, which is in the back of our present document for 1998, the Budget document, there are, I think, 102 more new posts requested.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. Is the Minister in a position to tell the House when we may expect these services will have reached their full complement?

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Mr. Speaker, this will not necessarily be completed. As you know, the Hospital will be finished toward the end of next year, and as these services come on line, I am almost positive that by the end of 1999, there may be just a handful in there. But what we have been trying to address here in the recruitment of these posts is a situation that has existed for several decades, where the Health Services, and when you look at, I think it is the PAHO or United Nations breakdown of nurses and doctors per population, you will see that Cayman ranks way down on the nurses per population. This is one of the main areas we are trying to address and bring it up to standard.

The Speaker: The Member for North Side.

Mrs. Edna M. Moyle: Thank you, Mr. Speaker. I wonder if the Honourable Minister would say if, included in these new posts, there are additional staff to allow the outer district clinics to be open longer to provide a service later at night for the public.

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Yes, Mr. Speaker, the Honourable Member is absolutely correct. When you see some of the figures of the amount of services and the utilisation of these district health centres, I know specifically in the Bodden Town, where we have a doctor there on Monday nights, Wednesdays and Fridays, and there are doctors recruited for the other districts, it will make a significant change.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr.: Thank you, Mr. Speaker. In light of the large staff complement that will be required by the new Hospital in the area of nurses and doctors, I wonder if the Honourable Minister can say how many

Caymanians are now in training in these areas? And what is being done to encourage other Caymanians to go into the medical field in the area of nurses and doctors?

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Mr. Speaker, I do not have the exact figures of that, but I do know there are several nurses, doctors that are due to come back within another year or so. Also we are actively now going into the schools, and we have seen a significant response of the high school level, or as a matter of fact, several of them come to the Hospital and we assist them. We are going into the schools, making them aware of what is going on there, and encouraging them, and going to the different job fairs and sharing that with them.

The Speaker: The Third Elected Member for West Bay continuing.

Mr. John D. Jefferson, Jr.: Thank you, Mr. Speaker. I am aware that one of the difficulties that Caymanians wanting to enter the medical field face, especially in the area of doctors, and especially attending universities other than universities in the Commonwealth, is that you had to go through, on your own expense, the first phase of your degree before you got into medical school. I think this has discouraged a lot of Caymanians from choosing the medical profession in the area of doctors. I wonder if the Honourable Minister can say if any thought or effort has been put in place, maybe in conjunction with the Education Department or the Ministry of Education, to ensure that scholarships are available for young Caymanians who wanted to go into the medical field.

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Mr. Speaker, there certainly is now encouragement for those students who would like to get into medicine, and the availability now through the Education Council and the servicing of scholarships make it a lot easier than what it used to be.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. In one of his answers, the Honourable Minister gave an indication that the ratio of nurses to the general population, according to PAHO, was a very low ratio. My question is, if this particular category of staff increases, are they based solely on the fact that the Cayman Islands Government is improving the number so as to meet the ratio recommendations set by these organisations? Or has there been a demonstrated need for an increase in this particular category of staff?

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Thank you, Mr. Speaker. It would be the latter, it is on demonstrated need, because we are going from 59 beds to 128, and it will be on need to service these.

The Speaker: No further supplementaries? Question number 165, standing in the name of the Second Elected Member for Bodden Town.

QUESTION NO. 165

No. 165: Miss Heather D. Bodden asked the Honourable Minister responsible for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation, if, with the coming on line of several new district health clinics, patients' waiting time at the George Town Hospital has been reduced.

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: It is anticipated that with the recent opening of four new District Health Centres, and the increased doctors' clinics, more patients will utilise their District Health Centres.

A total of 25,955 patients were attended to at the District Health Centres and 5,201 home visits were made in 1996. During the period January to August 1997, 19,363 patients were attended to at District Health Centres and 3,469 home visits were made.

Patients seen by doctors at the District Health Centres have increased from 4,665 during the period January to August 1996 to 6,406 for the same period in 1997 — a 37% increase. Doctors' visits to the District Health Centres increased in October 1996 and will be further increased in phases over the next year. A separate George Town Health Centre does not yet exist. All categories of patients attend the Casualty Department, causing delays to non-urgent cases. When the new emergency facility is completed in June 1998, only the emergency cases will be treated in the emergency room and non-urgent cases will be attended to elsewhere on the hospital site.

At the time of the opening of the temporary emergency unit, a triage system was established whereby patients without an appointment are assessed by qualified staff to determine their need for immediate care. Before the new triage system was introduced, it could take 19 minutes or longer for a patient to be seen by a nurse. A recent survey indicated that 91% of the patients were seen within 5 minutes of arrival. Of seriously ill patients, 97% are seen by a doctor within 30 minutes and the more seriously ill within 11 minutes.

Depending upon the urgency of the case, the waiting time varies from 11 to 50 minutes which is a very considerable improvement over past performance.

And just as a note, Mr. Speaker, one of the examples recently used by the Government's reinvention team as one of the successes shared at Government House in recent times was the new approach of the casualty area

in improving the period of people having to wait to see a doctor or a nurse.

SUSPENSION OF STANDING ORDER 23(7)&(8)

The Speaker: We have reached the hour of 11.00. I would entertain a motion for the suspension of Standing Order 23(7) that Question Time can continue beyond 11.00 AM.

The Third Elected Member for George Town.

Mr. Linford A. Pierson: Mr. Speaker, I so move.

The Speaker: Do I have a seconder? The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I beg to second that, Mr. Speaker.

The Speaker: The question is that Standing Order 23 (7) and (8) be suspended to enable Question Time to continue. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. STANDING ORDER 23(7) AND (8) SUSPENDED TO ENABLE QUESTION TIME TO CONTINUE.

The Speaker: Question time continues. Supplementaries? The Second Elected Member for Bodden Town.

SUPPLEMENTARIES

Miss Heather D. Bodden: Thank you, Mr. Speaker. Can the Honourable Minister say if he has received any feedback from the public since the waiting time has been reduced?

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Yes, Mr. Speaker, as we all know, especially Members of the Legislative Assembly, there has always been, in the past, a constant complaint of having to wait. In recent times, there is a significant improvement, and Mr. Speaker, better still, when the new facilities are opened, and especially the emergency area in the middle of next year, it will still be much more improved.

The Speaker: The Member for North Side.

Mrs. Edna M. Moyle: Thank you, Mr. Speaker. I wonder if the Honourable Minister would say if the creation of the new posts that we just discussed will even make this time period at the casualty and emergency shorter, because I have known for some time that that section of the Hospital has been understaffed.

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Mr. Speaker, that is an excellent point and observation made by the Honourable Member from North Side, and it will go a long way, because of the lack of staff, and some people have to attend in another section. This increase in staff will make a significant improvement there also.

The Speaker: Fourth Elected Member for George Town.

Dr. Frank McField: Mr. Speaker, I notice that in the substantive answer here, it says on the first page at the bottom, "A separate George Town Health Centre does not yet exist." Does this mean that there will be a separate George Town Health Centre? And if so, could the Minister explain briefly why?

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Yes, Mr. Speaker, to relieve the congestion in the Emergency Room, the review team is diligently looking at this, and this will be brought in once the new Hospital is finished, to make services even better.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you. Could the Honourable Minister say if this new facility that is being looked into would be located outside of the premises of the existing Hospital, or as a part of the premises?

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Mr. Speaker, a final decision has not yet been made, but because of the many available services, like X-ray, physiotherapy, and the other services that are needed within, and with George Town being the biggest of all the districts, we are hoping to incorporate that in the present site.

The Speaker: First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you. Would that then mean new building or buildings, or part of what exists and is being constructed now?

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Mr. Speaker, we envisage this as one of the buildings that would be vacated, that being remodelled.

The Speaker: Any further supplementaries? Question number 166, standing in the name of the Third Elected Member for George Town.

QUESTION NO. 166

No. 166: Mr. Linford A. Pierson asked the Honourable Minister responsible for Education, Aviation and Planning to state the set-back requirements for the various categories of development along the Seven Mile Beach.

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Seven Mile Beach is zoned for hotel- and tourist-related development. Pursuant to regulation 9 of the Development and Planning Regulations (1995 Revision), setback requirements for hotel and tourist zones are as follows:-

- ◆ minimum setbacks are 100 feet from the low-water mark for buildings up to two storeys, with an additional 30 feet setback for each additional storey;
- ◆ minimum side setbacks are 50 per cent of the height of the building with a minimum of 15 feet;
- ◆ minimum rear setbacks are 25 feet from the road edge of lot boundary as the case may be.

The above setback requirements apply to all categories or types of development in hotel and tourist zones, including ancillary uses such as pools, fences, cabanas and seawalls.

SUPPLEMENTARIES

The Speaker: Supplementaries? The Third Elected Member for George Town.

Mr. Linford A. Pierson: Mr. Speaker, I would like to thank the Honourable Minister for the comprehensive answer on this. I wonder if he is able to say what the setback was on the Radisson Hotel when that was built.

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, I understand that Radisson was opened in February 1990. The Honourable Member was a Minister then, and these setbacks have existed since 1977, so I assume Radisson complied with the Law when he had responsibility for it.

Mr. Linford A. Pierson: Mr. Speaker, I am trying to see if I can take that Minister out of that mothball, the old time capsule, because he seems not to be able to get out of the 1988-1992 mode. I am really asking this because hopefully it would have helped him. But really why I am trying to find this out, Mr. Speaker, he has his Director of Planning there. I do not keep all of these facts in my

head, and the Director of Planning should know the information. There has been a lot of writing recently, Mr. Speaker, regarding the problem that the new Marriott is experiencing at that same area, and I wondered whether the proper setback requirements were agreed upon when the hotel was built, or whether that might have been a problem there from the initial stages.

Hon. Truman M. Bodden: Mr. Speaker, the hotel was opened in February 1990. It is a fact that the Honourable Member asking the question was the Minister with responsibility for it. I have consulted the Director of Planning, who was in the Planning Department at the time, and in February 1990 the hotel did not comply with the setbacks in the Law. I guess I should ask the question to the Honourable Member, why not?

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: That is a good question, Mr. Speaker. What I want to find out is whether the Planning Department gave instructions to the hotel to comply with the proper setback requirements, but whether they obtained lawyers to compel Government to comply with their requirements.

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, I find these questions to — this is the first time I have ever been in this situation, where the Honourable Member, Third Elected Member for George Town, was responsible for Planning, responsible for the Planning Department, the Central Planning Authority, and they allowed the hotel to go down which did not comply with the Law. And now I am asked to answer for it. With due respect, Mr. Speaker, the only person who can answer that question is the Honourable Third Elected Member from George Town. I do not know. All I can say was that he had responsibility, Mr. Speaker, that Honourable Member had responsibility, and they did not comply with the Law in February 1990. I do not know why. And if he wishes me to do research or perhaps he could do the research, because it was his responsibility. I am not being funny here, Mr. Speaker, I honestly do not know. But the Honourable Member asking the question has to know, because he had responsibility for it, and maybe he should tell the public why they did not comply with the Law.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Mr. Speaker, I am satisfied, from listening to the Honourable Minister, that I sincerely believe he really does not know.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you. Could the Honourable Minister say if at present there is a clear — when the Minister is through talking I will ask the question, Mr. Speaker. Could the Honourable Minister say if there is any clear definition by Law at present as to what the low water mark is? Especially on the Seven Mile Beach.

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, I understand that it is based on the vital benchmark, and that the Lands & Survey Department determine it.

The Speaker: First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Could the Honourable Minister state if this is done on a case by case basis, or if it is calculated or pre-calculated along the coastline of these properties on the Seven Mile Beach?

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, the Director of Planning has instructed me that as the coastline does change from time to time, at the relevant time it is determined, so it would seem to me that when one goes to set out the building, at that time is probably the relevant time to determine where the low water mark is to do the measurements. It would not naturally alter with mangroves or with ironshore, but obviously with beach, with sand, it could be different from time to time.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker. The Honourable Minister's answer is getting to the point that I wish to make. The question I therefore ask is, Is it possible then that when plans are approved on the Seven Mile Beach and buildings are laid out at the given time and they meet the requirements, that if one were to go back and do the same process six months later, it is possible then that they would not meet the requirements?

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, I guess with sand shifting, that could happen. But with the Radisson they did not comply with the Law at the time it was built. It was not a question of shifting sands, so let me make that clear. Because I was specifically asked on that point. I understand that a survey has to be current on it, perhaps I think within six months. But there is a difference between the sand varying and the compliance at the relevant time, than non-compliance at the relevant time.

The Speaker: Third Elected Member for George Town.

Mr. Linford A. Pierson: Thank you, Mr. Speaker. I think the Honourable Minister is getting closer to an answer to my original supplementary. The point is . . . he made that point, and I will turn this into a supplementary, Mr. Speaker, but at the Radisson area it is known that the sand shifts there from time to time, and you could get a setback of 100 feet today and maybe in three months' time that setback will have been reduced to 50 feet. And this is exactly what I understood happened when the Radisson was built. The proper setback was given by the Planning Department, but by the time the Radisson started to build, it had shifted then, and that is where the argument came with the Planning Department. They wanted them then to do a setback from that shifting area another 100 feet back, when in fact the first setback requirement was correct. And I would like to ask the Honourable Minister, if he does not know maybe he can consult with his Director of Planning, if this is not correct.

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddin: Mr. Speaker, I knew that Honourable Member knew the answer to it. How can I contradict him? He was the Minister responsible! But at the time, as I have been instructed, at the relevant time that the Radisson was built, it did not comply with the Law or the Regulations. That is all I can say. The Honourable Minister has the answer to this question. I really do not have it, Sir. And to be frank, I cannot pursue that question any further. I do not really know why it was asked me originally.

The Speaker: If there are no further supplementaries, question number 167 is standing in the name of the Third Elected Member for George Town.

**WITHDRAWAL OF QUESTION NO. 167
STANDING ORDER 22(1)(f)(x)**

Mr. Linford A. Pierson: Mr. Speaker, I am satisfied that this question, which is to provide a status report on the proposed amendments to the Development Plan 1997 may have received its answer with the laying on the Table of the Revised Development Plan 1997, and may have in fact become redundant under section 22(1)(f)(x) which basically states that the answer is now available from official publication, and I accordingly would wish to withdraw it, Mr. Speaker.

The Speaker: The question is that question number 167 be withdrawn. Those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it.

AGREED. QUESTION NO. 167 WITHDRAWN.

The Speaker: That completes Question Time for this morning. This may be a convenient time to take the morning break. We shall suspend for approximately fifteen minutes.

PROCEEDINGS SUSPENDED AT 11.19 AM

PROCEEDINGS RESUMED AT 11.51 AM

The Speaker: Please be seated. Proceedings are resumed. Government Business, Bills, Second Reading. Continuation of debate on the Budget Address delivered by the Honourable Third Official Member responsible for Finance and Economic Development on Wednesday, 5th November, 1997.

The Honourable Minister for Education, Aviation and Planning, continuing.

**GOVERNMENT BUSINESS
BILLS
SECOND READING**

THE APPROPRIATION (1998) BILL, 1997

**DEBATE ON THE BUDGET ADDRESS
DELIVERED BY THE HONOURABLE THIRD OFFICIAL
MEMBER RESPONSIBLE FOR FINANCE AND ECONOMIC
DEVELOPMENT ON WEDNESDAY, 5TH NOVEMBER, 1997**

(Continuation of debate thereon)

Hon. Truman M. Boddin: Mr. Speaker, it is very important that the level of debate in this Honourable House on this important matter (the Budget) be kept very high. I propose to continue doing that.

I would like to turn to the further question of education. This is obviously something that has been very dear to me throughout the years. The Community College at present offers seven full-time one year technical and vocational certificate programmes in Auto Mechanics, Construction, Electronics, Electricity, Business Secretarial, Business Commercial, Hospitality Studies, and Professional Cookery. It also offers three part-time professional programmes in Accounting, Insurance, and Banking. A-Levels in Economics, Geography, History, Chemistry, Physics and Maths, and a wide variety of academic, technical, vocational, professional and leisure courses in the evening.

Those different courses are set out in the Community College Calendar for 1997 and 1998. They range over a wide area from Motor Mechanics through to Computers, Business Administration and also the sciences. If I remember correctly, there are some 20 different subjects, the vast majority of them are in the technical and vocational area.

The most significant thing about the College has been the introduction of the Associate of Arts Degree.

These programmes have now started and are offered in 12 different areas. Along with this, the recognition of these Associate Degrees by US and United Kingdom Universities and just about to that stage of acceptance with the University of the West Indies, and this is a milestone because it allows our students to complete two years of their Associate's Degree here with only two years to be done overseas. But they can transfer their credits. Very good universities accept our credits, such as the University of Miami, the Florida Institute of Technology, the University of South Colorado, Howard University, and also the University of North London, and the University of Tampa. So there is a wide range accepting these, and I am very proud of this and I commend the Principal and the staff for their hard work.

There has been, since 1992, an annual increase in the number of part-time students. In September 1997, more than 70% of those enrolled were Caymanian. In the Associate Degree Programme, September 1997, 78.8% of the 120 students enrolled were Caymanians, with the remainder from 12 overseas countries. Work programmes are in existence. These allow the students to spend time in the relevant areas of the work that they are expecting to go into. We were very happy to welcome two Caymanians to the staff, Miss Juliet Johnson and Miss Julie Adams. Miss Johnson joined as head of the Hospitality studies, a very qualified and able young lady; and Miss Adams joined as Co-ordinator for Student Personal Services.

The proof of a school's ability and standards is judged mainly by the exam results, and these are external exam results. I am happy to say that the results in 1997 are the best ever to be achieved. For the first time in the history of the John Gray High School, over 30 students achieved seven or eight higher level passes. Thirty students achieved seven higher level passes and one student who sat French as an additional subject gained eight. This is significant when you see the number of good passes per student increasing.

Equally significant is the increase in the number of students who achieved four or more higher level passes and this year 79 students achieved this performance compared to 62 in last year's class which reflects a 27% increase. Sixty-five students achieved five or more higher level subject passes.

There can be no doubt that the Government schools have produced good results, and that is the test of the pudding. They have a very high standard and have consistently improved on the passes in those schools. Those passes range over not just the academic area, but also the technical and vocational area.

In the general exam, there was a total of 43 candidate entries, an outstanding 74% of these students achieved grades one and two which is an increase of 9% from 1996. This percentage clearly shows a high academic calibre and determination on the part of this particular group of students and the dedication and commitment of their teachers. I would like to thank all of the principals and all of the teachers and all of the staff. And those last results were in relation to the Cayman Brac

High School. The first ones were over all, but it does show both High Schools have very high standards.

Important also is the fact that the private schools have approximately one-third of the pupils. As Honourable Members know, we assist them. But I would just like to point out that for the assistance of less than \$1 million per year, if the Government system had to school the extra one-third students, we now pay \$22 million per year dealing with two-thirds, would be another. . . well, \$24 million, I am sorry. The vote this year increased. It would cost Government another \$12 million per year, not to mention another \$40 million or \$50 million to build the schools to house them.

So, from a budgetary point of view, it is very important to appreciate that if a third of the students are schooled—and remember, schooling is compulsory and free with Government—by Government it would cost us a further \$12 million per year on the recurrent side. That is significant. It is a savings of \$12 million per year that most of the schools, or all of them, are supplemented by their churches.

One of the other areas I would like to touch on is the School Inspectorate. We have two senior inspectors, Mrs. Mary Rodriguez, who is for the Secondary Schools, and Mrs. Diane Montoya, the Senior Inspector for the Primary Schools, along with the Chief Inspector, Mr. Vic Green. They make up the present Inspectorate. They are starting now with one Government school and already they have carried out short inspections on the North Side, Savannah, and Red Bay Primary Schools. They will be starting this inspection.

I would just like to point out that the importance of the Inspectorate is that they are there to assist. They are not there to simply find problems. Their duty is to assist with the team work that is so important and to assist schools in raising the standards and dealing with. . . . Really, the simplest statement is this: The ultimate aim of the Inspectorate is to help improve educational standards in the Cayman Islands and to provide an accurate assessment of the quality of our schools. So, for the first time, and I know this was put forward by the Third Elected Member for Bodden Town sometime back at least accepting the principle that schools do require this assistance through inspectorates.

The standard of education I am very happy with. I think the people of this country are too. On the humorous side, Mr. Speaker, the Third Elected Member for Bodden Town had listed three or four of my eight or nine qualifications, but seriously, my aim would be that every student here with the capability would follow as near as possible with getting as many qualifications as they can as at early an age as they can. If they want to take the way I have worked and studied over the years—and I am very proud of my qualifications, Mr. Speaker—but my aim would be to get as many students as possible to have as many qualifications as they can.

In this day and age, I think one of the best things that we can give to the future leaders of this country is a good education. My aim, because I believe I have followed as much as anyone else in pursuing higher educa-

tion throughout my career, and that should be what every parent and every student should endeavour to do.

One other significant aspect is that despite a bit of fear that I had that the school enrolment would increase considerably, in fact, it really did not except in three schools. We were able to hold the population in the schools to substantially what it was in the previous year. But this meant that there may have been some schools that we had to close early to avoid getting an excessive amount of students in each class.

Also, I would really like to thank the private schools which, by the way, actually have 1,707 students between the seven private schools as compared to 3,701 in the total Government system, so it is actually just under one-half of the students. But I would like to thank them for this assistance.

The 1700 students in those private schools, by Law, could have gone into (not all of them, but those who are Caymanian) the . . . well, everyone could have gone into the Government schools. There is really no distinction in the Law as I remember it.

Later on this year the Caribbean Examinations Council will hold its annual conference here. I look forward to that. I would also like to thank the Education Council members, they worked long and hard. In fact, we have done a lot of work this year, we covered a lot in it. So, whatever may be said, I think everyone will agree that the school system has reached a very high level, the results this year were extremely good. I ask Honourable Members to continue that support of the schools.

When I go along with the Permanent Secretary and the Chief Education Officer to the schools, we always ask the MLAs. None of them can deny that. I have always asked them. I know that we did not visit all the schools yet this quarter, but I know that in George Town the MLAs did attend and I appreciate that. They can see first-hand what is happening at the schools. I think that is important and I will continue to ask my three colleagues from George Town, whenever we are going to the George Town schools to attend.

The Lighthouse School is something that is near and dear to me, and is a top priority this year, next year and the coming year, that we now get on and build that school. In the supplementaries I will be asking for funds to purchase a site for it. I think we must move on. I am not going to address that at length now, only to say that I am asking Honourable Members that when I get a time from the Lighthouse School, that all Members visit. I ask your indulgence, Mr. Speaker, that maybe we spend an hour at the Lighthouse School which many MLAs have not had the opportunity to go to and really have a look at it, forget the politics and really try to get on with the setting up of a new Lighthouse School. The children who are specially challenged deserve the best we can give them because life is difficult enough for them and their parents as it is, and in the school they are now in, it is very cramped, as Honourable Members will see.

One principle has come through in the line of questioning that I had from the Savannah School where we have two special children, is the fact that it is very impor-

tant for the Lighthouse School to be placed near a school in which we can begin to bring the children from the Lighthouse School back into the mainstream of the school. Red Bay Primary is well equipped for it. It has much larger areas to move wheelchairs and that sort of thing. Whatever else may be needed we will do to ensure that the Lighthouse School is fully functional as soon as possible. There is money in the Budget. This time, if it becomes necessary, and this Government has never used the Compulsory Acquisition Law except once for someone whose address could not be found in Cayman Brac, I think, for the airport. But if it becomes necessary to use that Law to get the Lighthouse School, then I believe that this Honourable House will support me in what I have to do with that.

Turning to the question of First Cayman Bank, and I will only deal in limited detail with it, The different press releases that went out left no doubt. In my view they were very clear and well drafted. The one that went out on 9th October said "**The Cayman Islands Monetary Authority has today confirmed that negotiations have reached an advanced stage concerning the purchase of First Cayman Bank by another local banking institution. Further details will be disclosed in due course.**" There is no way that could mean anything other than what it says.

Subsequently, there were a series of press releases and basically, it was not until the Friday afternoon, as the decision was made on Saturday to close the bank on Monday, that the question of the serious problems relating to the fraud arose. And on Saturday morning the full Executive Council met and took the decision. It could not have been done any quicker.

The move throughout was to assist the bank with perhaps finding a buyer so that it could continue on. This was pursued over a matter of days, but I know that all Members put in a lot of time. Executive Council even sat on Saturdays and Sundays due to the effort to try to deal with the matter.

The last statement that was made, and I would like to just read that: "**Following the meeting last Friday between Members of ExCo, Representatives and concerned depositors of First Cayman Bank, in keeping with its existing policies Government's intention is to assist those experiencing real hardship. However, the Council has said that neither the Government nor the Monetary Authority will accept liability in relation to First Cayman Bank or Gulf Union Bank. In a statement today, Executive Council said that Members of Executive Council share the concerns of depositors and every effort will be made to have those legally responsible repay depositors to the fullest extent and in a speedy manner. In the interim, Government is actively considering ways to support those experiencing real hardship. This is in keeping with Government's past and existing policy of helping those in genuine need. Applications for assistance should be made to the Department of Social Services and will be assessed in accordance**

with that Department's normal guidelines. While we understand the anxiety of depositors of the two banks, neither the Cayman Islands Government, nor the Monetary Authority accepts any liability whatsoever in relation to arising from First Cayman Bank and Gulf Union Bank. We have acted at all times responsibly within the Laws and Regulations of the Islands. The issuing of information to the public: ExCo said, 'While wishing to keep the public fully informed, great care has to be taken not to prejudice either the liquidation process through the court or the ongoing criminal investigation.'"

So, Government has made a statement and I should say that we met twice with all Members of this Honourable House on First Cayman Bank on the Saturday on which the suspension was made, or we contacted the Members. Three were in Cayman Brac at the time, but they were all contacted. Also, on the question of what to do with those in need. What I have read in relation to assistance is what was the consensus of all Members of this Honourable House.

I would like to point out two things: What the Bahamas has said is that they are going to assist depositors who have Bahamian dollar deposits. That is totally different from what has been said before. So they are really going to assist local people with local deposits.

The Honourable Financial Secretary has said that there will be legislation coming this time, and I will support that, to ensure that a certain level of deposits, whatever that may be, for 'x' thousand dollars (\$10,000, \$15,000 or whatever) will be secure in the banks. Let me just say this: While I know there has been some criticism by the Opposition as to why this legislation did not come earlier, every Member of this Honourable House can put a motion. They could have put a motion to bring this legislation in. So I am saying that this is hindsight. The thing is that we move forward and correct it. But with the multitude of questions and motions put in this House in the past five years, none was a motion to bring in deposit insurance for banks. So they did not realise it anymore than the Government did. The thing now is that we move forward and correct it.

If it is a scheme that deals with the insurance of deposits it is a fact that the largest deposit insurance scheme in the world, the Federal Deposit Insurance Corporation, could not bail out some savings and loans in the United States when they went under. So I would question whether the route to go is insurance. Let us not forget that Lloyds of London, the largest, the oldest, the grandfather of all insurance companies itself got into trouble a few years ago. As we know, they called on what are referred to as names [?], persons who have unlimited liability in it. So perhaps the way to go with that legislation is to go what I would term the safe way and perhaps that legislation should be geared to say that deposits up to a certain level would not fall into the general creditors pool during a liquidation or bankruptcy. Failing that, it has to go the insurance route. As I said before, even Lloyds of London has had financial problems. In fact they reorganised.

Just one other thing on this. I do not believe, while I accept it is a democratic right of persons who have been holding up the posters and that sort of thing. It is their democratic right and they can do so, but I do not believe it is helping the situation to have a few depositors, especially when the committee representing the depositors were made up of a minority of Caymanians who formed the vast majority of depositors there to be out in the street day after day. And if we look at who are holding some of those placards, it is obviously not in the best interest.

As a bit of humour, Mr. Billy Adam was in the crowd, and I specifically asked him if he was a depositor. He said no (and this was in front of the cameras). I asked him what he was doing there. He just smiled. So, I accept that people have the democratic right to stage demonstrations. They may do so if they wish. But I am asking at this stage that there be some careful consideration because this matter has now gone into liquidators in court as to the extent to which this continues. It cannot be good for the country to have this continue day after day. But, and I point out again, it is their democratic right.

I go back to the fact that no Opposition Member put any motion to bring in deposit insurance that will be coming in this time. I know that it was a situation that now there is a problem, you know, the Government and this Honourable House I am sure will pass what is necessary to ensure that proper legislation is in place for the future.

Moving to another area, the area that is perhaps more recently been in relation to the conservation side and animals. I would just like to say that while I think there has been quite a stir in relation to dolphins, perhaps more relevant to these islands would be a good hard look at the stingrays and other areas that are local to the Cayman Islands. Mr. Michelle Cousteau, two or three years ago, stated that perhaps popular dive sites should be given a breather. I think he might have said lay fallow for a year or two. This is something that the diving community should perhaps look at. I know in relation to the stingrays something should be done to ensure that they have some protection.

Going back specifically to the Budget, the increases throughout, for example, in banking where we have seen a considerable increase in the number of banks and the number of deposits; we have seen real estate go up; we have seen increases in the stamp duty from it; we have also seen that the economy itself has now increased overall and continues to be very good. That is one of the tests of a good Government—if you have a good Government, you have a good economy.

The Civil Service Pension Fund has had approximately \$33 million increase in the last five years and it now up to \$40 million. That \$33 million, a large part of which pays back pensions because it was so badly underfunded. We chose not to do what had been done in the past and put that \$34 million into general reserves. But once the Pension Fund reserve is built up, then these large amounts of reserves can go into the general reserve. We have consistently put into the reserves, as we are doing this year for a further \$1 million.

The position has to be looked at from a point of view of the fact that the debts, or the borrowing this year, which is at about \$19 million, which I doubt if we will really borrow that amount, the repayments of that are \$17.5 million as set out in table 2(A), so that the net borrowing is only about \$2 million give or take interest on how much of the repayment of \$17.5 million is actually principal and what is interest.

The contribution this year to capital, which is really the surplus that we have between recurrent revenue and recurrent expenditure, is \$14.5 million. So we do have a profit of \$14.5 million going towards the capital that we are spending on it. Also, from 1993 to 1997 the borrowings, when you remove the amount for Cayman Airways, we saw that repayments over the period from 1993 to 1997 were \$45,021,900, while the total borrowings over that period amounted to approximately \$34 million or \$35 million. So far more has been repaid during our five years in Government than we have borrowed. I think this is very important because most of those repayments have been made in relation. . . I see there is a bit of smiling over there. But let me just point out, since I must give details to this, that in 1992 the repayments were \$2.5 million; in 1993 repayments made on past debts were \$9.5 million; in 1994 repayments made on past debts were \$8.7 million; in 1995 repayments on past debts were \$15.3 million; and in 1996 it was \$10.1 million; and in 1997 it is estimated to be \$13.9 million which gives a total of \$58 million paid in the past years from 1993 to 1997.

If we look at the borrowings we will see that in 1993 all that was borrowed was \$1.6 million with the \$20 million for Cayman Airways that basically was not our borrowing, even though we had to deal with it, and \$4.7 million in 1994; \$1.8 million in 1995 (and I am reading here from the Treasury's Financial Summary), and in 1996 \$22.4 million. b

Some of the projects, such as the hospital and the schools, we have to borrow for. There is no way around this. This year, even though we will be putting \$14.5 million into capital projects, there will have to be borrowings to finish them up. But health is the best thing that I think anyone can have and I believe that all Members of this Honourable House fully support this new hospital and the work that the Honourable Minister for Health, Drug Abuse Prevention and Rehabilitation has done, the four new clinics in the districts.

George Town has a vote in there for roads this year. In the last two years it has probably had more road work than it has had in many, many years. A lot of concrete asphaltting was done on the main roads. I would aim to follow this through and see that this is extended as we know we are starting on the Smith Road. In fact, it was the first major road work in about 12 years.

Mr. D. Kurt Tibbetts: *(inaudible interjection)*

Hon. Truman M. Bodden: I have taken the First Elected Member for George Town all over the Primary School, all over the Red Bay School. . .

Mr. D. Kurt Tibbetts: *(inaudible interjection)*

Hon. Truman M. Bodden: Of course, I am always happy to carry that Honourable Member. And I hope that they will keep the level of debate in here real high, so that we do not find that it deteriorates into mudslinging.

But I always, whenever I go anywhere, take my three colleagues. . . invite, rather, my three colleagues to come. They know I did this on the schools. You cannot deny that, can you?

Mr. D. Kurt Tibbetts: Not on roads.

Hon. Truman M. Bodden: Well, I have not visited the roads, so how can I carry them along?

In any event it is not my responsibility. . .

Mr. D. Kurt Tibbetts: But you just said the roads!

Hon. Truman M. Bodden: My responsibility is the schools and I will always see that they will go with me when I go there. It is good to have them because I know that they must support the vote in this Honourable House when it comes up for those schools otherwise they will be less than fair with what they do.

I actually invite the three Members from George Town, my colleagues, to join me in trying to take a positive approach to this. The Elections are three years off. I ask all Members of this House to please keep the level of debate high because if it deteriorates—as we are now beginning to get from time to time—the public of this country in my view has heard enough political rhetoric over the last year and they are tired of it. That is why I have kept what I have said here of a very high calibre. I have kept away from any sort of. . . and I have even been overly kind when I have been interrupted not to carry on with anything that could be seen to be less than the highest quality of debate.

But speaking seriously, I believe that the people of the Cayman Islands are tired of political rhetoric. As we heard this morning, in my debate I have stuck to the facts and kept it short. Once again, I think that is important. One can say within a short period good things. I would really ask Honourable Members to try to keep the level of debate high throughout, not just this sitting, but the other sittings as well. As can be seen, there was only one objection in the early stages of my debate. I have really, I hope, set the tone for a statesman rather than a politician worried about the next election. So, I would ask Members, seriously,

(Members' laughter)

Hon. Truman M. Bodden: You may laugh, but the public out there is tired of people getting up in this Honourable House and carrying on in a way they normally would not carry on in their own life outside of this House. I am very seriously and genuinely calling on Members of this

Honourable House to keep the level of debate high and keep the dignity of this House.

In conclusion, I would say that the schools are in a very good shape. The results are there and I do not think that much criticism can be levelled in that area.

The Development Plan has passed through the second phase. I have given an undertaking that it will begin and it will begin. We hope to get on with the plan for Cayman Brac and Little Cayman as well as dealing with the airport there.

In relation to the Civil Aviation Authority, we are a category one. The first in the Caribbean to get that more recently another country has gotten it.

With Cayman Airways, to be frank, I have a booklet here that I could have stood up and spoke for four hours on, but we have to keep Cayman Airways out of politics if it is going to survive. I have been over careful not to get into areas beyond the positive side of that.

There is one area that may perhaps be raised, and I think I forgot to deal with.

Mr. Roy Bodden: I am glad to see that the Minister is following my example by keeping to a high level of debate.

Hon. Truman M. Bodden: Well, I will give that Honourable Member credit, the latter part of his debate was of a good high standard.

The position, and I think I better deal with this. In 1993 the Audited Accounts showed that the current liabilities remaining after the \$20 million cash was put in was \$19,294,287. I have over the past few years repaid \$1,750,000 at \$50,000 per month. But Members will see that there is a sum in the Budget for \$1 million which is in there and will be used to repay the pre 1992 debts of Cayman Airways. The position after the \$20 million was put in in about July of 1993, all of which went to pay past debts—I want to make that clear. The liabilities that remained as can be seen (and I have copies of the audited statements) after the US \$20 million was put in showed that the remaining amounts after the that was put in were \$19 million. There is no way that Cayman Airways can pay off that extra \$19 million. Let us not kid ourselves about it.

Cayman Airways pays Royal Bank as much as they can. But a lot of this, nearly \$2 million that we repaid has obviously gone in interest. I am asking this Honourable House to apply \$1 million this year towards that. It will go for past debts that are owed and continue to be owed on Cayman Airways. The accounts are here for anyone who wishes to look at them. In 1992 the current liabilities were \$36,054,422. That reduced to \$19,294,287. This is all in United States Dollars.

The only thing I can say about this, and I am speaking frankly now, at least the Government, through Cayman Aviation Leasing, owns a jet which has a value of \$7.5 million which we have repaid from a loan of \$5.2 million down to \$3 million. So \$2.2 million has been paid from Cayman Airways on that. I believe that the only way Cayman Airways will ever pay off that large amount of

debt is for Government to assist it with paying it off because from the current revenue there is no way it can pay off that amount.

I have never been back to this Honourable House to ask for an increase in the subsidy which was granted in 1993, a subsidy of \$4 million. I think it is a considerable credit that Cayman Airways has stabilised to a stage where the subsidy during that period has not had to go up. Now pressures obviously remain because of this, what I would call, long term portion of debt that remains there. But I believe that we have to come to grips with it. It sat there for five years and we have to begin repaying it. I am happy to show any Members who wish, because accounts were laid on the Table, how much existed before and after the \$20 million were paid.

The Honourable Financial Secretary knows that all of the \$20 million went to pay past debts. In fact, that was a Motion of this Honourable House. The money did not even come to Cayman Airways. The \$20 million that the previous Government put a borrowing in place, and we completed in June of the following year, was paid directly to Government for the past debts of Cayman Airways. I would really ask that in looking at this the MLAs look at it from a serious point of view and that we basically take a decision to remedy that long outstanding debt because I really have no way of paying off that money and a million dollars is not a lot; it is probably what the interest is on it. But at least it is a start in the right direction. And Government does have four and a half million dollars of value in the new jet, so Government is getting something.

And by the way, Mr. Speaker, that four and a half million would be profiting Cayman Airways if I took it in there on a revaluation of the jet. It would at present show \$2.2 million in pure profit, and a further \$2.3 million upon the revaluation of it. Also, not just the revaluation, but Cayman Airways has put a lot of improvements. We put in new seats, a new overhead bin, something called a T-cass, which is a navigational instrument, a GPS, we removed long-term tanks, new carpets were put in, we continue to upgrade that jet, the one that Government owns.

So Mr. Speaker, finally, the Budget is before this Honourable House. I know it is a good Budget. Like every Budget or like everything, it can be criticised. But I call on Honourable Members of this House that when they criticise, they also come up with solutions to the problems, because it is easy to criticise but it is not easy many times to produce [solutions]. These problems we have are national problems, Mr. Speaker. They should be dealt with at a national level, and looked at seriously, and it is only in that way that I see the Cayman Islands moving forward.

I have always attempted to be open because, Mr. Speaker, I answer everything on Cayman Airways these days. But there was a time when the trading and the accounts, or anything else on Cayman Airways. . . you could not ask a question on the floor of this House. I mean, that is a fact. I am not going to go back in that, but I have always tried to answer, to the best of my knowledge and openly, on Cayman Airways, and I believe it

has come a long way out of being a political football. I think it is too important to go back to that stage.

We have 250 dedicated staff, and we really have the economy of this country depends heavily on Cayman Airways. So I would ask Members to look at it from that point of view, and once again to keep the level of debate high and try to look constructively at solutions to the problems that we face, because at the end of the day, Mr. Speaker, it is the guidance and the standing of this Honourable House that shows the standing of this country and to move forward I think we must take a constructive approach. So I would ask Honourable Members to, as you obviously have to do, criticise where criticism is necessary, but also to offer solutions and to look candidly at the problems of the country, and together let us try to move forward and try to deal with the problems of this country and try to come up with solutions in the best interests of the Cayman Islands, and of this country.

I give the undertaking that as we have done in several instances when there are very important issues at stake, we will continue to meet with all Members of this Honourable House—as they know I have done several times, for example, the Development Plan, more recently with another Bill where it is possible to circulate drafts to Members before bills are put into rigid form to come here—we will do so. Obviously, it is not possible to consult on everything, but major issues we will continue to do that in the spirit of co-operation. Thank you.

The Speaker: I shall suspend proceedings until 2.30 PM.

PROCEEDINGS SUSPENDED AT 12.56 PM

PROCEEDINGS RESUMED AT 2.53 PM

The Speaker: Please be seated. Proceedings are resumed.

READING BY THE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

APOLOGY

The Speaker: I have an apology from the Honourable First Official Member who will be absent for the rest of the afternoon on official business.

Continuation of debate on the Appropriation Bill. Does any other Member wish to speak? The Fourth Elected Member for George Town.

Dr. Frank McField: Mr. Speaker, I would like to begin by bringing to the attention of the Legislative Assembly (at least to those Members who did not know), that today is the fifth anniversary of the passing of my father, Charles Vernon McField. He died while I was in exile from this country in Germany, trying to somehow put myself back together again—being one of the few Humpty Dumpties that fell off the wall and had the courage to not wait for somebody to reassemble him, but to do that re-

assembling himself. I, of course, Mr. Speaker, still feel a bit of regret and slight remorse that my father was not able to see me in the condition I would have so much liked to have had him see me in. But, because of faith my father was able to see the end, and therefore able to see me at the end of my mission in this world; to know me, not by the day-to-day step, but as the completion of a wonderful purpose which God Himself has had in store for me and my family.

Mr. Speaker, I do not come here to speak any other politics than the politics of necessity. There is in this country a great need for us not just to think about our material prosperity, but also our spiritual, or, let us say ideological or principled being and development. Too often we forget that through economic development and prosperity is born, not out of falsehoods and clichés about what is necessary to please people, but out of a genuine belief that what motivates people in society are their characters.

For if we begin to create people with character, which was what our society afforded us, it was the wealth that was brought forward, that we were able to translate into dollars. The wealth was the character of the Caymanian, and we should not forget this when we go along forgetting about the people and talking about the fact that we cannot wait on them. We have to bring the people along with their prosperity. We have to remember that prosperity is not composed of statistics. It is not a mathematical exercise, Mr. Speaker, it is a human social exercise that at the end of the day we must be able to see what a dollar does concretely to the development of the human character, to the development of the Caymanian character; to the development of the national character, and the national identity.

Wealth has to be tangible. It cannot just exist. It must have a relationship to the people. It is a resource that is there, not to rule the people, but the people themselves created it, so that they might rule the universe, that they might rule the elements that God Himself put under the control of His special creatures—human beings.

Mr. Speaker, in all I do, I try to remember that nationalism and the concept of nationality is the most primitive type of concept we have of ourselves. And I try to remember, Mr. Speaker, that 2000 years ago, Christ Almighty said that he was not here to talk about Jews, he was here to talk about Gentiles as well. And he united the world! He united the world long before television, Mr. Speaker. He united the world as one village.

So when the Minister for Aviation and Education gets up and makes references to political behaviour or the behaviour of people who have been dispossessed of their wealth because of fraudulent activities at the First Cayman Bank, he must also remember that whether or not they come from the Cayman Islands, they trusted the Cayman Islands sufficiently to invest their dollars in the Cayman Islands. Therefore, the expression of grief, the expression of remorse even, if we want to say that, should not be mocked, should not be shunned, should not be pushed and castigated into the types of corner that

they pushed my activities into when I went out into the streets of this country, with my degrees, as a so-called "madman" to show people that there was something wrong with the system. The system was not full of faith and affection and love and care for people, but the system was losing this, it was becoming bureaucratic, it was becoming mathematical, it was becoming mechanical and it had no use for people with intellect and creativity, people like myself, who my father had to sacrifice to see get an education.

Mr. Speaker, my skin today is a testament to the times in which I spent in front of the furnaces in England with the coal burning, Mr. Speaker, and that smut coming and choking the very possibility for the skin to get its air, because it was so cold in York where I was taking instructions and reading. For me to get an education, Mr. Speaker, it was not easy. I come from a very poor family. But thank God I have come to realise that wealth is creativity, wealth is character. It is not what creativity and character make that is wealth. It is that which makes those things.

I always return to what my brother George says, he says, Frank, the chair you are sitting in was an idea before it was a chair. So the Budget must have been an idea before it became a piece of paper with figures on it. Because what comes first? The creation, or that which is created?

If we go back to the carpenter who uses the blueprint. . . what does the carpenter do? He takes his blueprint and he finds out exactly how to cut the lumber to fit the size of the house the person has designed. I feel that this is the same job the Financial Secretary has. The Financial Secretary is rightfully the tailor—but he is not the designer! He cannot be the designer because he is not empowered by the people to design the system for them! The Parliament of this country who elects the elected Members of the Executive, are the people in power to design this Budget, to create this Budget. Because the creation comes first. First was the creation! Then other things came to be. But you cannot say now that you are going to put the creation last. We cannot put Members of the political Government last and say, 'We have created this for you and this is what it is.' So if there is any attempt by Members of this Honourable House to make Frank McField believe, or the Fourth Elected Member for George Town believe that somehow this Budget is a result of civil servants' contemplation of what is important in this country, if they are to make me believe that somehow the issues that appear in this Budget, that this Budget attempts to resolve, the puzzles it analyses is a result of civil servants, then we might as well get rid of this Assembly and let the country be run by civil servants.

So we have to clearly be able to show the people the process, how the process works. How this one as leader does this, and how this group as managers do the bidding of the leaders.

I think that part of my consideration of the Budget is a consideration of the economic well-being of our country. The financial state of our country has to somehow be connected with the real assets which we have available.

The choices we might have or that we should make in preserving and improving upon those assets. Believe it or not, we have the human asset. We do not just have physical assets, not just machinery. Because we have to realise that man created the machines, the machines did not create man. Man is the first. The machine comes after. Therefore, we cannot give the machine more attention than we give the man. Because without the man, first of all, we do not have any use for the machine, and the machine would not be able to fix itself, and to realise and be aware of its own existence.

And somehow, Mr. Speaker, this world has to do with awareness. God has put us here and has made us different from the animals because he has given us the power to choose by making us aware. Self-awareness, the power to choose. Leadership therefore springs from that knowledge and that conviction that it is something that is ingrained in us as human beings. When we lose that, when we give that up, we have given up our power as human beings. We have given up our humanity when we give up the power to choose. Therefore leadership, what leadership does, whether or not it exists, is a very important contemplation. It is an important fact especially to be discussed at this very important time, especially when we look and see the *Caymanian Compass* and the different headlines over the last few weeks.

It is a very important part of the economic well-being of this country. Because leadership, good leadership or bad leadership, is a good asset or a bad asset. And we might not find that this is accounted for in the Budget, but we might say, Let us call it goodwill. Good will—if I have a business and it has been trading for a while, I might say this is what I call good will. The Cayman Islands might, in trading for a long time, have a lot of good will, because people say, Well I have heard all the time that this place is a nice stable community where you can go and get things done, and people will not cheat you and people will care for you. But how can you say that at this particular point?

How can you say that we are not trading in our assets, stripping assets, stripping those assets, the human assets, the people, the assets in the leadership, when we begin to tell people that if they go out and hold up placards saying that Government needs to pay them their money back, and that they need their money and they want their money and they want it now, that somehow that is wrong. That it makes us look bad? What has made us look bad has been our own inertia! What has made us look bad is our inability to deal with the crisis when the crisis came, or before the crisis came! What has made us look bad is the fact that we have shown people that there is no leadership and no leadership ability in this country. That is what has made us look bad.

When a man has a character, the character does not need to know that $2+2=4$, because he is propelled by character to do what is right. He does not have to sit by and *didda-didda* here and *dally-dally* there and ask this one their opinion. He knows what he should do because his conscience tells him so. I do not need to consult about what is right and what is wrong. That I should know

by now. I do not have to consult about loss and deprivation because that I should know by now.

When a man studies for many, many years, and people say, *'You have no right to earn, you have no right to demonstrate, you have no right to tell us that you are aggrieved and bereaved because of our ridicule of you and our treatment of you,'* I say that person is callous. Those persons, that system, has no conscience. So when I see it happening on a slightly different scale today, when I know of people who have lost — Caymanians! — \$70,000 — who have worked hard for it and they have no, NO right to show outwardly to the public, regardless of who that public is, their hurt, their concerns, their shock.

We cannot run a country when people do not have the possibility to have redress for their grievances. And it must not just be the court. It can also be through the political process. And that can start with a demonstration. Because those groups of people who started that demonstration are going to cause this Government to go down and a new Government to come up! So the process had to start someplace. It had to start, Mr. Speaker, someplace. It might look silly. We do not want to have to think somehow that Cayman is South Africa, but what about Mandela and the African people when they were demonstrating and everybody was saying, Look at all those old Africans out there on the street, and how they are going on, and things like that. But it got them where they were going! And the world respected them for standing up for what they believed in!

A lot of people have achieved so-called democratic rights and privileges without any kind of sacrifices, and they do not really know at the end of the day exactly how precious freedom really is. So it is not correct to say on one hand that you have a democratic right, but you should not express that democratic right. That is not right. If it is a democratic right you should be allowed to express it as long as you do not harm the person or the person's property.

The demonstrations we have seen have been peaceful demonstrations. People have uttered things, but they are peaceful. They are peaceful. It is hard to suffer in peace. And it is a virtue to be able to suffer in peace, to be peaceful while you suffer. Jesus Christ taught us that is the greatest form of suffering, to suffer peacefully, non-violently. But sometimes, Mr. Speaker, things hurt so much you have to communicate that to the other human beings around you. And you have to try to find out whether or not you are still in reality. And you need to find out from the other person if they can help you or they will help you. But, Mr. Speaker, when we do not feel the pain, we do not react the same way as the person who is feeling the pain.

I am talking, on this fifth anniversary of my father's death, personally about this to a certain extent. I know what it is to be deprived. I know what it is to be fired two times from the Civil Service for speaking out, and to be pleased with the reinvention of Government. If Government were perfect it would not have to be reinvented. Obviously Government could not have been perfect back

in 1977 when I came and started work as Social Development Officer and told them we had certain problems in this country. Because if Government had been perfect then, it would not have to be reinvented now. Why is Government being reinvented now? So we can accept that somehow Frank McField was not the only one who was at fault in the relationship. God knows I will take my blame, too. Because I was not perfect, I am not perfect, and I probably will never be perfect, but I shall strive to at least be honest about what I feel other people should be allowed to feel about their own problems. And if I am going to tell somebody that you cannot feel this way about your loss. . . God knows people have a right to feel about their loss. And as long as they do not break the laws of this land in demonstrating, please allow them to express their disappointment in the leadership of this country.

The leaders of this country have failed the depositors of First Cayman Bank and the people of the Cayman Islands, and me in particular grossly. I do not even know any more who is the first Member of the Executive Council; I knew before, because I knew where my vote went. I no longer know who is the first and who is the last, and nobody has even attempted to try to explain to me who is the first and who is the last and whether or not it matters at all in the scheme of things. But I feel pretty well taken advantage of as a young person coming into this experience and saying, My mind will be open, my heart will be open, my conscience will be open. I will not close my mind to anything said, because I got here on my own two feet. As a man I have a right to say I will listen and then I will make my decision based upon what I believe to be correct. But I have listened; this is my second Budget, and I have seen as a result of my short stay here in the Legislative Assembly some of the biggest problems. We had revenue measures the last time. We stopped the proceedings. It was chaos! Nobody knew who had to speak. Nobody knew who had to stop speaking. It was a situation like I say in this particular play here, this little script here about leadership: "Who is going to be the captain? And who is going to be the captain if we only have one boat? Who is going to be the chief if we only have one Government?" Well, you know, the decision was to cut the boat in three! So we could all be captains of our own boat! And it seems that what we have done is to cut the Government at least into five pieces so that we can all be chief of our own Government! So there is no Government!

There is no Government in the idea. And I say the idea comes first. It is the first creation. There is no Government. Why? Because there is no leadership. Why is there no leadership? Because there does not appear to be leadership. Why does there not appear to be leadership? Because when situations arise whereby I at least feel that leaders would come out and take a position, they do not! Because they say, *'I am not responsible for that Portfolio, and I am not responsible for that!' 'He is responsible for that!' 'No, it is not him, it is him.'* *'No it is not him, it is her!'* Wait a minute! This is about reality! Sirs! Reality hurts! You know it when you are Humpty Dumpty, like I am! When you fall off the wall, it hurts to get back on

your feet again! So when 3,000 lose their livelihoods it is going to hurt them, Sirs, to get back onto their feet again. Some will never recover from this.

Maybe it is good that we are away from the days when people used to lose money and then go commit suicide. I think that was one reason they started inventing companies that would not give the individual those tremendous types of burdens. But a lot of people will become indebted. There are a whole heap of things, and we cannot really sit and speculate about what will happen to people. It is just like how people say, Well, we fired him before Christmas 1992. . . . What was it? 1992? 1993? I cannot even remember. But they fired me! It was almost Christmas, about this time. They dismissed me from my job at Environmental Health, picking up tin cans; not caring about the fact that I had a wife who had just come here with me, not caring about how I felt.

This is what I am talking about—the callousness of certain people. And I will not, I shall not participate with it! I shall not! And on this fifth anniversary of my father's death, I shall resolve even more that I shall not give way to those types of reactions to human beings' conditions. Ultimately we are all about trying to assist one another to become better, and not to burden one another unnecessarily. If people save, then at least at the end of the day we should go and tell them how we are going to deal with this problem.

I feel that this is a very important part of the Budget. I feel that this is a very important part of the financial conditions of this country, because the country needs to re-establish good will. Good will is a very important part of doing business. If I believe that I am not doing business with gentlemen, I tend to feel that I might not do it as willingly, and therefore those individuals will suffer. We do not want the people of the Cayman Islands to suffer. We have to decide on the price we will pay. There is a price for everything. The world is about trade-offs. If you are going to trade something here you will gain something down the coast of time.

I had to make a big trade in my life. I had to decide whether or not it was important for me to stand up for what I believed was right, although people said it was crazy, it was radical, it was bad, it did not make any sense. There are people in the country today saying that Frank McField is perhaps the only person who is making any sense. I hope to God that they continue to believe that I will always be truthful to that; that I always will have respect for right, but absolutely no tolerance for what is wrong and wicked and corrupt! Whether or not it comes from that side, or this side, or the other side, it is the same thing. The character is disease, it is spoilt, it is no good; has no heart, has no soul, has no might, has no creativity, is animalistic!

When I went to university I learned that the better-off people taught their children to make decisions. They did not teach their children to dig holes, to pound nails, to act as clerks. They had arrived, even at that time and perhaps even before, that basically there was a difference and a distinction between management and leadership. Unfortunately, I was trained to be a leader, and that per-

haps was too obvious in 1977. As a result I had to take a duck. But God knows that it has made me stronger.

I wondered, therefore, as we were considering a replacement on the Executive Council, and how I came in here as an independent Member of the Legislative Assembly, and that I did support however I could the Government, that not one consideration, not one gesture was ever made towards me. I wonder if that has to do with my character, or what people conceive as my character—which is the dirt that was piled up on me, not the real Frank McField. God knows you are hearing the real Frank McField on this fifth anniversary of my father's ascent to heaven—someone who can come out and say, *'Yes, Sir, I fell upon the ground, Yes Sir, you might even help me to go on the ground.'*

But that is not important. What is important, Sir, are the relationships we can have with one another, the relationships and ties that we can build with one another. But we cannot build that thinking about the past. We cannot build that with outdated ideas about political behaviour and about leadership being clerical, that as long as I can quote, and as long as I can do this and I can do that, somehow I am capable of analysing. We need people who can analyse the progress up until today, and we need people who have programmes for the development of tomorrow.

Now I might not be the nicest looking man, but I have made it in this world 49 years. As a matter of fact, I got married five years ago on October the 17th, which was my 45th birthday. It took me that long because I was distracted by a whole heap of things, and I did not like compromise. When I say I will compromise. . . I will compromise, but when I say I am not going to compromise because I think it is wrong you cannot change my mind!

I came back here to get married, and I remember my father coming out to play dominoes on the back porch in Red Bay with us. He did not come to the wedding, he was not feeling well. I remember the last time I saw my father, which was at the airport, and we were supposed to have breakfast at Biggie's Steakhouse that morning, but we were late in getting there and did not even know that was my father's intention because he did not really communicate all that much. We did not know sometimes what he really wanted, how he really felt. We do have a real serious problem with communication in this country. But anyway, we went there, and I saw that he wanted something. And I saw in his eyes somehow that he was happy. Do you know why? He knew the end. You must know the end, gentlemen. Know the end, see the end, contemplate the end, and then you will know if where you are standing is the correct spot; if where you are sitting is really where you should be! Know the end!

I could tell by the smile on his face and the contentment in his body that I would not see him again. It was not hard to know that, because he could communicate it to me and say that he had to make a decision about his life. He suffered from emphysema. He was a proud man, but he could do nothing for himself. He made the decision to have an operation at a time when he knew that his chances of recovery were 50%. That took courage. On

the fifth anniversary of his death I resolve that I still, at 49, have the same kind of courage. I will put myself in whatever condition necessary to see that this country has a soul that is above the souls of most countries, that is, the soul of petty nationalistic jealousies and individualistic envy.

I am not a part of it, and I will not be a parcel to it. We need to go above that. We need to strive above that. I would like to continue by saying that he taught me a great lesson, my father, and he did not go to any university. So although I might have a Ph.D., I do not put it before the university of life that he went to. Do you know what he said? He said, "If you got to do it, you got to do it. If that is what you think is right, then you must do it." I have done things in my life that I thought were right, and I cannot criticise people for mistreating me. I might have thought it was mistreating me, or whatever, because they felt what they had to do was also right. I must thank the people of the Cayman Islands so much for what they have done for me—for taking me off the street, for taking me from being the idiot on the road, a mockery of the society, and elevating me to this position.

I shall not abuse or see abused their privileges, because I am here because no one else would give me a job! A chance to earn a living! Now how can you have a society being prosperous? How can it be prosperous? How can it be on the right economic track when it is destroying and distracting and humiliating people like me with my degrees? If it is doing that to people like me, Frank McField, what is it doing to the little guy who is looking for a job as a dishwasher at the Hyatt? Until I am convinced that the hearts of certain people have changed, I will be asking for changes in this country—for changes in the leadership of this country. We must get away from the conceitedness that we politicians have built economic prosperity. All we have done is benefit from prosperity. We never built it. The people who built it are the Cayman Islands people and those people who came here to do business with them. Government has only created, let us say, perhaps the conduct, created the laws, the environment that determines the conduct; but it has not produced these things.

So when Governments get up and talk about past Governments or even future Governments and say, We did this and they did not do that, we can do that! I can get up and say, Well, they balanced the Budget or they did not balance the Budget but they are borrowing money. Hey! I am not interested in that! I am not interested in saying, 'Well, you borrowed some money,' because the people gave me a job here. . . and you know what? I just borrowed money again! I just went and bought a car! I did not wait until I could pay for it! How long would it take me before I would be able to pay for it! I bought a house! And it is not a million and a half dollar house, it is actually \$125,000. I paid for it. But I did not pay cash. I have a mortgage. And I do pay my mortgage.

I am very thankful that the people gave me a job so I can have a house for my wife and myself, and my five cats! I do not have any children. Perhaps one of the reasons I do not have any children is because at the time

when I should have been having children, I was here trying to teach people by walking around the street demonstrating, showing people what they had done to me, and that they should not have done that to me. And now I am here, but I am here to see that that does not happen to other people. I am not going to sit by and let it happen to other people. I am not going to become a part of this. If I see it happening to other people, I am going to call the Ministers, and say, Minister, do something about this! This could be a problem for our country. Because we will not have economic progress without political stability. And we will not have political stability without stable principles, steering principles.

We need those principles, and they have to come from us. Leaders! We have to show that we have those principles. We have to show that we care, that we have integrity, that we care for people. And if people find themselves defrauded by crooks, all their money gone, and all we can tell them is that they look like a bunch of fools out there demonstrating, basically — I had a one-man demonstration in this country! I did a one-man demonstration in this country! Me, by myself! Why? Because I was hungry! I was thirsty! I was exhausted! I was exhausted and I was only demonstrating to say, 'Look at me!' 'Help me!' And what did they say? '*Oh, look at that old fool out there. Look at that fool.*' That is like what they are saying about these people. You cannot say that! People, when they get desperate, are going to find desperate solutions. And we are still happy in this country that people do not take up arms! That something does not happen to one of us politicians.

We are talking about the state of the nation — where my office is, the kids are selling drugs there, and I tell them to keep out of there. I call the police, and they get angry with me, and I hope that they do not disrespect me to the extent that they harm me physically. But that goes with the turf.

Let us not make our jobs any worse than they already are, I mean from the point of view of the conditions we have to fight against. When people go around and say that politicians are corrupt, and you can buy them off, and they are not any good, and Look at Frank McField, he is just in there that time, look at the big old car he has and the big old house he has, and all the things he has, just like the bunch of them too.

Hey! We do not make our children good by saying bad things about them. I would just like for the listening public to know that we will not make our politicians good by saying bad things about them. If you want good politicians, start being positive about your politician, and start insisting that they act a particular way if you feel they are not acting that way. But do not go around saying that they are this and that and the other, because when the moral character and when the moral fabric of your political machinery falls apart, your entire society is going to fall with it! You are only as strong as the top, and when that goes, the whole thing goes.

So let us be careful how people talk about their elected officials. We know we are not perfect. But we do not need to give people additional ammunition to be able

to say that we are not honest, that we have no integrity, and that we are totally selfish. We have to be careful what we become involved with, and we have to be careful how we deal with problems that may arise.

The Speaker: Would this be a convenient time to take the afternoon break?

Dr. Frank McField: Yes, Sir.

The Speaker: We will suspend for fifteen minutes.

PROCEEDINGS SUSPENDED AT 3.35 PM.

PROCEEDINGS RESUMED AT 4.05 PM.

The Speaker: Please be seated. Proceedings are resumed. Debating continuing. The Fourth Elected Member for George Town.

Dr. Frank McField: Yes, Mr. Speaker. The little break we had kind of made me believe somehow that I should really be teaching rather than preaching! And I had originally intended to teach and not to preach, because I notice that when we start preaching, people run away! They disappear. They do not want to come back into the Chamber. And I think perhaps then I shall try to not make people feel too down. I will try to perhaps start saying how great everything is, and then we can go home and have a good weekend while those poor people who lost all their money at First Cayman Bank will probably not feel the same way, but nevertheless, who cares?

We are trying to give economics a human face here, Mr. Speaker, and I would just like to read that management is doing things right. So we do not have any problems with the Financial Secretary and his groups of people, because we realise that the Budget is done right. I have a little bit of a problem once in a while adapting to the new change. Like everybody else, I resist change too! But I know that change is the only reality. And we need to change. I guess after a while I will learn this new accounting procedure and be able to accept it.

I think where we really fall down, Mr. Speaker, is that although management is about doing right things, leadership is doing the right things. Management is doing things right, and leadership is doing the right things. We have to make a distinction, therefore, between the Executive branch of our Government and the managerial part of our Government. And so when I say that we lack leadership, I am saying that we are not doing the right things. And we are not doing the right things when things are done that affect so many people and that certain people do not even feel that they owe these people and people related to them explanations.

I was very concerned, therefore, when the Minister for Aviation mentioned a good gentleman in our society, who provides a lot of us with books to read, and perhaps improving and enlightening our minds, making them more creative, more productive — Mr. Billy Adams, when he said more or less that, What was he doing with these people from First Cayman Bank? He did not have any money there. In other words, if you did not have any money there, you should not be concerned, you should not be involved. That is not the right attitude. That is not leadership. That is not doing the right thing. That is what I am saying.

Leadership has to have a human character, it cannot have a mechanical character. It has to have a feeling character. It cannot just have a telling character. We lead by example, we do

not lead by pushing people around. We do not lead by intimidating people. We do not get up and say to the listening public that when somebody becomes concerned about the business of Government, somebody like myself who is paid over \$60,000 a year to do the job, that when I become concerned about what is happening in this country, somehow I am politicking! That is my job, to put the Government of this country under scrutiny and cause the Government of the country to always remember that they are answerable to the people through us, the Backbenchers. They are answerable to the people through us, the Backbenchers.

Chaos would be the order of things if all the people had to come in here and ask questions of Ministers at the same time. So trying to be orderly, they elect a few people to do this job. So when we are asking questions of Ministers, I myself would appreciate some helpful answers. And I am tired and fed up with the arrogance that I have heard in this Legislative Assembly, not just in this sitting, but over years. Over years! Not just this Government but Governments before. Questions are being asked so that we can know the state of affairs in the country. And we will not know the state of affairs in the country if we are not allowed to question the Ministers, because we have nothing to do with the Civil Service.

This country is arranged in such a way, of course, that the cart pulls the horse. We cannot go ask the civil servants any questions because those people have nothing to do with the political persons. So we have to ask the Ministers who sit in Executive Council with the main chief civil servant, that being the Governor. So we would not know what is happening at First Cayman Bank. We would not know what went wrong. We would not know why it was allowed to fester, as it was allowed to fester. We would not know that. Because, like I said in a few of the press interviews I have made, as I said in a letter I wrote, we have a problem with information in this country because there are certain people who do not believe that the public has a right to know. And they do everything to obstruct people who proceed to get information with regard to so many things.

Sometimes the things are so petty that they are hiding. So after while they cannot distinguish what to hide and what not to hide, and they are hiding things that are not important to hide that they should be sharing with people, because it would make for a much more orderly Government and a much more orderly country. Because of the people know they can approve. If you have consensus, then you know where you are going. But if you do not have consensus you do not know where you are going in a democracy, but you can only have consensus based upon information. So without the existence of information in a democracy, it cannot function.

Gentlemen, ladies, a democracy cannot function without the existence of information. And if the information only belongs to the bureaucrats, and to the few selected politicians who sit on Executive Council, it is not going to work. Because when we come in here, we are going to want to know. I am going to want to know, because people come and ask me questions. They even come to my house when I am trying to eat. I am under scrutiny, so I intend to put you under scrutiny too. I am under scrutiny.

They say, *'Well, Frank, what did you do for all the money we are paying you? You are driving a new car. You have a house. What are you doing? Are you working?'* And I say, *'Yes, I am working. I go to work at 8.00 in the morning when I take my wife and land her off at her job, I go to my office. I open my office. I leave my office after 5 to pick her up at 5.30. I work for my money.'*

I am here to tell you that I spend a whole heap of time thinking about the state of this country, the conduct of leaders in this country. I have a lot of time to think because leadership

again means quality consideration. We cannot spend five seconds with this person and ten seconds with this person and think that we are going to be leaders that way. We have to leave the fidgeting and the mechanical aspects to the managers, and get about spending quality time. We need to spend time with the Ministers. Ministers need to make time available, not get themselves involved in the administrative process of Government. They are not administrators, they are not managers, they are leaders! And things would be working much better and they would know what they are doing, and they would have a collective sense of direction. Since they have collective responsibility, they need a collective sense of direction.

If this is so, I am saying that I needed to have been informed about the situation at First Cayman Bank. I think the situation of First Cayman Bank. . . and of course again we should not talk about these things. We should not talk about problems, because problems mean that we are going to create problems. Now it always happens this way in this country, that the problem is not a problem, but the problem is your considering the problem. So we become the problem simply because we are considering the problem. So Frank McField is now the problem, right? Frank McField is now the problem because he is considering the problem. But we cannot shove that thing off on people so easily any more. The Committee for the depositors at First Cayman Bank are now the problem, right? They are not the problem! They are not the problem. The problem started a long time ago, and it is about time we decide to deal with the problem. It is about time we decide to deal with the problem.

We need to decide to have a new conduct in the way we do business. We need to have a new way. So if I am told that as a result of what transpired at First Cayman Bank, and I have a whole heap of newspapers here, and you just get one thing after the other thing after the other thing, all making headlines, which means it is important. It is important to the economy of the Island, to the state in which we are. It is an important happening.

We came in here not too long ago and we voted for another Minister of Executive Council and it is as if everything is, you know, the princess waved her wand and everything is cool and everything is good and everything is okay. But we are not getting the message. We are not getting the message that somehow something is wrong in the way in which we are organised; in the way which we tell the public we are organised; in the way in which we analyse and make decisions; in the way in which we tell the public that we analyse and make decisions.

Now on Thursday the 23rd of October of this year, the *Caymanian Compass* printed a headline saying that the "National Team requests Bush to resign." And it says, "**The National Team has asked its colleague, McKeeva Bush, to resign as a Minister, according to a fax received by the Caymanian Compass at 5.32 PM yesterday.**" Nobody told me anything about that at that time. So somehow I was not consulted.

What I am trying to make here is again the case of the lack of leadership involved in the managing of our society, in the management of our economy. Now it says here that nine Members of the National Team asked for the resignation of the Honourable Minister, and my name was not included because I am not—have never been, nor will ever be—a member of the National Team. I said that on television, and I meant it. It did not mean, of course, that I could not come in this Honourable House and support Government policies if I felt they were correct. And a lot of people accuse me of being this, and of being that, simply because I agreed with most of the policies that emanated from the National Team. I did not have any solutions for most of those things, and, like one Member said, if you do not have any solutions, what are you getting up to talk about?

So at least I had to go along in many cases with what was being suggested. I say, it was okay.

But I want to make it absolutely clear that if the country has a National Team, a political party that makes decisions as to who and when we should choose leaders, then that is not being done by this Legislative Assembly, and the people should know. I tell most people, '*Look, I am only a Backbencher, and a Member of the Legislative Assembly. I am not a member of Government. I am excluded from knowing certain things. And not all national secret things, just things!*' Because that is the way we are. We brush him out, he does not need to know. You do not need to know. So I try to tell the people that. People in the Cayman Islands do not have the possibility of electing their own Government—they elect Members to the Legislative Assembly, but they do not elect their own Government. That Government is then elected by the Members of the Legislative Assembly. So if the majority of Members in the Legislative Assembly are National Team Members, then it is important that the public be informed by every Member of the National Team that they are National Team Members, because it will affect the way in which decisions are made.

We have seen that it has affected the way decisions were made. That is the honest to God truth. It is perhaps easy for us, in reflecting, to analyse the situation and see that that is quite clear: That when the National Team Government was short of a Minister, because that National Team asked one of their Ministers to resign, they certainly did not choose from outside their ranks. They chose very much from inside their ranks. If this is not the case, it is because I have no other information to go by other than what I see clearly with my eyes. I therefore called the *Caymanian Compass* up today to find out what they said about nine members giving their signatures to the request for the resignation. I went through my mind and counted. I wanted to find out whether or not the initials of the new Minister for Community Development and Sports were on that request for that resignation, and I was told that there were initials there that looked very much like that Member's initials.

So what am I supposed to assume? That a process of decision-making is being followed, but at the same time people are being deceived because they are not being given the type of information that would allow them to understand how the process would take place? Many people thought that they might choose that person. Some people are still under the opinion that Mr. Kurt Tibbetts (because he is the First Elected Member for George Town), should get a position on the Executive Council, not knowing that that is not the way our Legislative Assembly works. You have to be chosen—not by the majority of the people, but by the majority of the Members of the Legislative Assembly. We need to get that message home to people. People are a little confused about this process.

One does not get a position because of education, it is because people feel that they can work with you or not work with you. And that could depend upon a whole heap of reasons. Maybe Frank McField is too stubborn, they do not want to work with me. Maybe Frank McField might be too critical, he might not toe-the-line. Who knows? But it is important that we get the people to understand that the reason they do not choose people like me is not because I fell down in dirt, not because I got pushed down because I stood up for principles that are right and correct—and I will do it again—but because they do not think they have come to that situation where I could be an instrument of convenience, because I am an opinionated person, I have my own mind, my own character and my own value, and will not be led. I am a leader. I make decisions based upon my character.

It is very important that at this particular time the country does not feel it is over the problem of lack of leadership, of con-

fusion in the ranks, of the necessity to show determination and character and direction. We are not over that point. And I will not be silent about it! I will not let somebody tell me that somehow if I keep talking I am going to run the foreign investor away, like they told me when I was talking about the need for pre-schools in this country; when I was talking about the crime growing in this country, about the drug problems in this country, that I was going to run the foreigners away. And now those problems are the problems that are running the foreigners away. I am going to talk about how lack of leadership would really run foreigners away, and not us saying that we have a problem and we need to deal with it. We are human just like they are human.

Let me tell you that we cannot hide our problems because we are no longer the little village—it is now the global village. People in Africa have the possibility of knowing what is happening in the Cayman Islands, people in the United States, we can see what is happening there. We can see that political conduct and political discourse in those countries have changed dramatically because of television. We have seen now that political conduct and political behaviour will be changed in this country drastically over the next few months and the next few years because of the advent of television here too. So we cannot sweep things under the table, under the bed, and hide them any more.

We have to begin to deal with the problem. Are we going to cut the boat in three and all be captains of our own boat? Or are we going to have one captain? Are we going to cut our Government in five and have five different Executive Councils, or are we going to have one? Now I do not believe that any Member should cheat the public by becoming leader of Government Business, or by becoming what I consider to be the Chief Minister in this country. Either you are the Chief Minister because it is formally decided or you are Chief Minister because everybody believes that you are so educated that you should be calling the shots anyway. But that is your role and that is your position, and we should tell the people that is the way we conduct political business in this country and get it over with. Frank McField is here, he will see it, and he will talk. The only thing I will not talk about is what I do not know to be correct. What I know to be correct I will talk about.

I say that we have a party system functioning in this country, and that the National Team campaigns saying there should be no party system—that it was destructive. At the same time, they have conducted business this way by asking the Honourable McKeeva Bush to resign. He was not asked formally by this Legislative Assembly to resign, he was asked by the National Team. It was the pressure from them, more than anything else, that caused him to hand in his resignation, and that is the God-honest truth. So they should not make the people believe that something else is at *spiel* here.

The play is about party politics. The play is about a well-disciplined party machine that needs no formal registration. Even when a boxer is a good boxer, do you know what they say? *'You have to register those hands because they are offensive weapons.'* When you are a party you should register yourself because you are a weapon, because you have discipline. What type of discipline must an organisation really have to be able to have a new Member voted on to the Executive Council without even one other person being nominated from that political group? That suggests incredible party discipline and party loyalty. And that should be known by the people.

MOMENT OF INTERRUPTION—4.30 PM

The Speaker: The Fourth Elected Member for George Town, we have reached the hour of 4.30. I would now entertain a motion for the adjournment of this Honourable House.

ADJOURNMENT

Hon. Truman M. Bodden: Mr. Speaker, I move that this Honourable House adjourns until Monday at 10.00 AM.

The Speaker: The question is that this Honourable House does adjourn until Monday at 10.00 AM. Those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it. The House does stand adjourned until 10.00 AM on Monday.

AT 4.30 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM MONDAY, 17TH NOVEMBER, 1997.

**EDITED
MONDAY
17TH NOVEMBER, 1997
10.18 AM**

The Speaker: Prayers by the Honourable First Official Member.

PRAYERS

Hon. James M. Ryan: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed.

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

Triple C School

The Speaker: We welcome members of the senior class of Triple C School seated in the Public Gallery. We appreciate your presence here today.

APOLOGIES

The Speaker: We also have apologies from the Second Elected Member for Bodden Town. Item number 2, Questions to Honourable Members/ Ministers. Question No. 168 is standing in the name of the Fourth Elected Member for George Town.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

QUESTION NO. 168

No. 168: Dr. Frank McField asked the Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation to state what action, if any, has been taken to date in furtherance of Private Member's Motion No. 4/97 which was passed by the Legislative Assembly on 5th September, 1997.

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: The Ministry of Health, Social Welfare, Drug Abuse Prevention and Rehabilitation, in conjunction with the Portfolio of Finance and Economic Development, has short-listed four professional firms which can perform the actuarial study referred to in Private Member's Motion 4/97. Funds to cover the costs of the study have been placed in the 1998 Budget Estimates for the Ministry of Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

SUPPLEMENTARIES

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: I would just like to thank the Minister for having made these efforts and I am quite pleased and quite sure that all Members of the House are also pleased with the progress he is making in this area.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister state if there is any time line presently for completion of this actuarial study?

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: We have in our departmental plan, March 1998, but this depends upon the Finance Committee ratifying the Budget.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Assuming that there is no problem with the funds being approved, and assuming that it will be within the next 30 days, can the Minister give us some sort of indication as to when the study might start and be completed?

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Once the funds are approved, we will ask that the study be immediately undertaken. Hopefully by the March sitting, and no later than the June sitting, I will be able to present the results to this Honourable House.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Minister state what the next step is after the study is completed?

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: The Motion calls for it to be submitted to the House with Government's recommendation which will be done as soon as it is completed.

The Speaker: If there are no further supplementaries, question No. 169 is standing in the name of the First Elected Member for George Town.

QUESTION NO. 169

No. 169: Mr. D. Kurt Tibbetts asked the Honourable Minister for Education, Aviation and Planning to list any shortages of teaching staff at the public schools in Grand Cayman and Cayman Brac.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddin: There are 326 teachers and 12 assistant teachers employed in Government schools. There are no vacancies in any school in Cayman Brac. In Grand Cayman, the following posts are unfilled:

John Gray High School:	Business/Information Technology (due to resignation)
Alternative Education Centre:	Special Teacher (due to resignation)
George Hicks High School:	Spanish Teacher (due to resignation)
Primary School:	Peripatetic Music Teacher (new post).

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: According to the answer it appears there are posts for 330 teachers and 12 assistant teachers within the Government schools. Is the Minister in a position to state what, if any, other requests were made by the principals of the various schools in the public system for additional teachers to be hired for the September term?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddin: As I understand the system, requests are put in by each principal. Then the department, presumably in consultation with the principal, fixes the number of posts. I would think there were always some requests that either the Legislature does not pass, or the Education Department does not approve. However, I have been told by the Chief Education Officer that the posts approved as we can see is quite an achievement—out of 338 posts only to have four vacant. Those were caused through resignations. If the Honourable Member could be more specific, I would see if the Chief Education Officer has the answer. If he wishes to do this off the floor of this House, that would be another way and I could provide the answer in writing if I do not have the answer.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Let me go back to what I asked first: It seems from the answer, given the four vacancies that exist along with the 326 teachers employed, there are 330 posts available in the public system for teachers, and there are 12 assistant teachers. It is my understanding that there were several schools which, in anticipation of additional students being registered at those schools, made requests for additional teaching staff to accommodate the new students. I am asking if based upon the requests that were made, if there are any requests. If so, which requests were denied?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddin: I have consulted the Chief Education Officer and my Permanent Secretary, and I am really not sure which school we were looking at. The number of pupils only increased in three schools. I would like to point that out. Between this year and last year, there were only increases, as I understand it, in three schools. One of these was Savannah. I am wondering if that may be the one. I would be happy, since I cannot answer the Member on the floor, if he would give me something specific, I will give him a written reply on it. It may well have been a school where they expected an

increase because in 1996 we had, as the Member knows, a very high increase. But this year things levelled out—mainly because private schools took a considerable amount of the students who would have otherwise been in the Government system. I am happy to provide an answer, but I cannot give the Member an answer beyond this.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I would be very happy if the Minister would give an undertaking to provide the answer, specifically regarding the Savannah School, in writing. But the question was not limited to the Savannah School, I was also querying the George Hicks High School, and perhaps if he cannot answer that one, he can provide the answer in writing for both of them.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I would have to give the Member the answer in writing, but I will give it to him on all schools.

The Speaker: If there are no further supplementaries, question No. 170 is standing in the name of The First Elected Member for George Town.

QUESTION NO. 170

No. 170: Mr. D. Kurt Tibbetts asked the Honourable Minister for Education, Aviation and Planning to advise on the status of on-going maintenance/capital works at: (a) George Hicks High School; and (b) John Gray High School.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The status of the on-going maintenance/capital works at (a) George Hicks High School; and (b) John Gray High School is as follows:

George Hicks High School:

- The PE changing rooms have been completed and were occupied prior to the opening of the school.
- The new Art Block was completed and has been fully utilised since the opening of school.
- Replace windows on north and south side of all buildings (contracts were signed on 29th October 1997. Work was scheduled to begin on 31st October 1997. Public Works Department and the Principal have made arrangements for this work to be done in phases on consecutive Fridays and week-ends so as to minimise disruption of the instructional programme).
- Re-roof and upgrade walkways (Phase 2 of this project is completed. Phase 3 is scheduled to be com-

pleted by the end of October. Work is in progress on Phase 4. Completion of this phase is scheduled for the second week in November).

- Upgrade fire escape facilities (awaiting drawings; work scheduled to begin before the end of this year and finish early in 1998.
- Install fire alarm system (work in progress; scheduled for completion by end of year).
- Install security lights (completed).
- Upgrade fencing with footing and gates (90 per cent of this work is completed. Completion is expected by mid-December).
- Convert old PE changing rooms to toilet facilities (major work is scheduled to be completed by mid-November. Dispensers are on order and will be installed as soon as they are available).
- Various minor refurbishing works (completed).

John Gray High School:

- Re-roof and upgrade walk-ways (Phase 7 - completed).
- Install fire alarm system (work is in progress).
- Re-roof English and Math Block (completed).
- Air-conditioning of Islay Conolly Hall is underway and is scheduled for completion before Christmas.
- Various minor refurbishing works (completed).

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: I noticed that the re-roofing and upgrading of walk ways and the re-roofing of the English and Math Block were being done while school was still in session. May I ask the Honourable Minister to give the House an undertaking that in the future this kind of work is not done while school is in session? I visited the site with the First Elected Member for George Town and the Third Elected Member for George Town, and we came across some very dangerous situations where a serious accident could have occurred. So, will the Honourable Minister give the House that undertaking?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The period during which children are not in school, as the Member knows, is just a little over two months. We do as much as we can during those two months, but that list of works that were done. . . I could stand here all morning and read to you. There are so many things that are to be done. The re-roofing of the English and Math Block was an emergency and I was told that it did begin later. However, I guess what I am saying is that probably 95% to 97% of all work is done during the summer, but some is either too major to be completed during the summer, or, even with contractors we do go outside and get private contractors along with Public Works. I must tell you, dealing with all of the

schools during the summer is really a major task. I have to personally, at least once per week sit down. . . it consumes my time, the Permanent Secretary's time, the Chief Education Officer's time and the Senior Education Officer who deals with it, but we do give it priority. I really mean this. The one thing that I religiously do is follow up on it. But not everything can be done during the summer. It is just physically impossible at times.

I would like to point out that re-roofing on the English and Math Block was an emergency and that is why it started late on that specific one.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Will the Honourable Minister agree that re-roofing is a major project and would suggest that proper preventive maintenance had not been done and that is why the roof deteriorated to such a standard that it needed re-roofing? I noticed that the Honourable Minister did not say whether he was disposed to exploring the request I made.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I thought I had made it clear. I did not just explore the request the Member made, I do this every summer. I give this priority each summer. I have replaced 11 roofs on the George Hicks High School, which, if the previous Government had done them right, we would not have had to replace. But when water is coming through the roof in an emergency like this, I have to fix it. I mean, what do I do? Leave the children there in water until the following summer and then repair it during the summer? The children would have to vacate it.

I can give the Member assurance that I do everything I can during the summer, but if that Member thinks it is a small task. . . some time I will show him that there are probably 30 to 40 pages of things that have to be done throughout all the schools in Grand Cayman and those in Cayman Brac and the mere scheduling of this within a two month period is a problem. Sometimes both Public Works and the contractors get behind because of rain during the summer, and because of the fact that they do not get all the materials.

But I give this House my assurance that I personally stay on top of this and I do everything I possibly can to get things done. I get an update every week of what has been completed, how much is completed, percentage wise, I get the original date it is scheduled to be completed and I also get the practical completion date when they think things will be completed. When it over runs, I also ask why. I do as much as I can to get everything done.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: With the number of complaints that Honourable Minister is making, is he suggesting that perhaps the job is too much for him to handle?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: If that Honourable Member's Government had put the 12 roofs on the George Hicks High School right, it would have saved this Government \$1.5 million and me a lot of time I could have spent doing things that should properly be done. We had to rip the roof off every major building at the George Hicks High School because they were designed wrong, and wasted this country's money to put them back.

Who was in charge of Public Works? The Honourable Member. So he must know the answer for that.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Had I woken up on the wrong side this morning I would have asked the Honourable Minister which of his Government Members is a roofing contractor, but I am not so inclined this morning.

What I would like for the Minister to answer so that it can be clear to all of us, is exactly what the procedure is when it comes to maintenance of Government school buildings. Just so he understands what I am asking, and so that I do not have to ask four or five times, where do the requests for maintenance emanate from? What is the chain of command through which it comes, and how is it decided as to when the maintenance will be done?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: There is a walk through of all of the buildings with the Principal of the school and with Public Works. There is a scheduling of that with Public Works and then this is gone through. The signing off of what is done—and this has only been within the last few years that the signing off has come in—has to now be done by the Principal because I found that sometimes the Public Works schedule and the Principals may not have tallied. So this is a joint signing off at this stage rather than a single one.

I also go to the schools myself and go through with the Principals. I also go through with the Elected Members for George Town for example who were with me on a visit to the schools. In fact, right after the just after the schools start, right after summer (maybe a month or so ago), after all of the teachers are back I make sure that they too are satisfied with their rooms. There is a senior person in the Education Department responsible, and a liaison officer in Public Works. Then there is his boss and I normally meet with the senior person on this.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Minister say if at these schools presently there are any maintenance personnel whose job description would include making assessment of any major works beyond their capabilities and bringing this to the attention of the Principal? Someone who could give a professional opinion on what needs to be done so that there could be a regular schedule of preventive maintenance.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Basically the Principals say what they wish to have done. If it requires a professional, or a technical person, then that person is provided by Public Works. If it is something major, it is obviously drawn up by an architect. If it is something minor, it is done by the maintenance officers at Public Works.

I would like to say this too: I have found the co-operation of Public Works with the schools to be the best that I believe can be given. I know that from time to time there has been criticism of Public Works, but when it comes to schools they do give it priority. Mr. George Manderson is a top-notch person and he is always helpful.

If it is something that an architect or a quantity surveyor needs to be on, then we get that either from Public Works, or they contract that person in.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Minister say who advises the Principal on any works which may need to be done?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: If the Principal needs something done, either a liaison officer or a professional out of Public Works. . . like I said if they are too busy the contractor will deal with it.

If the Member would be bit more specific, and if I can get the answer on it I will give it to him. If not, I am happy to write to him if I do not have the answer to it.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Let me try to express it this way: Is the House to understand that one of the functions of the Principal is to go around making physical assessments of the buildings ascertaining and determining any construction work or repairs needed to be done?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The Principal is the head officer in the school. It is his/her responsibility to ensure

that the physical facilities needed are requested. Obviously, they are not builders or architects. The liaison officer. . . and I repeat this again, from the Department of Education, as well as whoever is necessary from Public Works, would go with them. But if a toilet is broken, for example, then somebody has to tell them if it comes up outside of the liaison officer's visit. If somebody says to the Principal that something needs to be repaired, then, obviously, they have the responsibility. So they do have the overall responsibility to do it with the help of Public Works.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Mr. Speaker, I thank you for your indulgence. What I am trying to find out, and the Minister has finally hit upon it, is if there is some person, some being, some creature who could be described as a maintenance man whose responsibility would be to bring the broken toilets to the attention of the Principal, so that the onus to walk around and physically check these would be off the Principal? Is there in place at the schools a creature described as a 'maintenance person' whose responsibility is to check these things and also to carry out minor repairs?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, the first thing I learned in law was to stand up, speak up and shut up. If the Honourable Member would ask me the specific question he needs the answer on, I could have given this to him some time back. But I just was not sure what he was asking.

There is. . .

Mr. Roy Bodden: Mr. Speaker, I could not ask that question because I am not a lawyer.

Hon. Truman M. Bodden: You will probably never be either!

The answer to that is that there is a liaison officer who spends most of his time inside of the schools checking on these things. So his duty is to move throughout all the schools and check on this. But the overall responsibility lies with the Principal. Obviously, if he says he is going to do something, the Principal would have to be consulted. But the Principal does not have to walk around at every bathroom and classroom to see if a fan is not working or whatever, which I think is what the Member is asking. Yes, we do have a liaison officer.

Now, over and above that we have full-time, or part-time maintenance people at, say, John Gray and George Hicks and a lot of the other schools who do little things. Sometimes some of that is only maintenance of the compound, but maybe something, a hinge needs to be replaced. They can do that. But the Principals' time is not taken up—and I think that this is the assurance the Mem-

ber wants—going around trying to figure all of the little things that need to be done.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: In one of his supplementary answers, the Honourable Minister spoke about a walk-through which the Principal and others did at the various schools. My first question is how often is this done? Is it once a year, twice a year or once every two years? How often?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: There is one formal walk-through a year, but there is constant liaison. Remember, there is a liaison officer in there full time. There is constant liaison between the schools and the Education Department.

What actually happens, if they are having a problem with anything that is important to be done, is that I have requested the Education Department to contact me directly. Sometimes (not all the time) I am able to get things done a bit quicker in that I can reach people at a higher level if there is a problem. So the liaison officer is in there fairly constantly in all the schools. The Principal and the liaison officer are in touch with the Department and also with Public Works. In fact, the liaison officer deals directly with Public Works on some things.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: In the latter part of his substantive answer, the Minister did not mention for the John Gray High School any specific areas of grounds maintenance. Can he state if he knows of any reason why the grounds of the John Gray High School, at the same time the visit alluded to by the Third Elected Member for Bodden Town was made was in such dilapidated condition?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Would the Member be specific on what areas were in dilapidation?

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: That I can. Every area that had a blade of grass was above my knee.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: We have people on staff that should be cutting the grass and those things. I know

what the Member is referring to. As I understand it, that has now been rectified. But, like everything else, I guess, I try to see that most things are dealt with, but what I will be doing is getting a measuring tape and once the grass gets up to that size, if necessary I will commission a lawn mower myself and try to get in there.

Humour aside, the Honourable Member is right. They did get behind.

All I can say is that people are not perfect and sometimes things do get behind and I understand it has been rectified now.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I understand what the Minister has said, and far be it from me to expect perfection. I only consider it part of my responsibility to let the Ministers, and others, be aware of matters such as this.

I think throughout this question, in between the [banter] back and forth, the seriousness of the whole issue is this. And I will ask a question, Mr. Speaker, I just crave your indulgence so that the Minister can clearly understand the point.

There are occasions that I know of when requests are made by the Principals of the schools from earlier in the school year for the very same reason, to try and have these works completed without disrupting class time, and I think that it is possible (and I do not know the sequence of events, so I can only give an opinion) that the various agencies involved from A to Z may not fully appreciate and accept the urgency of the matters until it comes to the end results and people start to question why it was not done before.

The question being begged of the Minister is (notwithstanding that he may be on top of it the best way he knows how): Would he, in the future, try to ensure that all works that are possible to be done outside of school time, whether it is summer or Christmas or Easter, be completed during that time? The important thing is that they be scheduled in such a matter. I think that is the whole crux of the question.

The Speaker: The Honourable Minister for Education, Aviation and Planning, I will entertain a motion for the suspension of Standing Order 23(7) in order for Question Time to continue.

SUSPENSION OF STANDING ORDER 23(7)&(8)

Hon. Truman M. Bodden: I am happy to move that motion to assist the Member with my reply, if he will second it.

Mr. D. Kurt Tibbetts: I second the Motion.

The Speaker: The question is that Standing Order 23 (7) and (8) be suspended to enable Question Time to continue. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. STANDING ORDER 23(7) AND (8) SUSPENDED TO ENABLE QUESTION TIME TO CONTINUE.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Mr. Speaker, I think the Minister moved the motion to avoid answering the question, but I am sure he will.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I like it when Members on the other side have a good sense of humour because look at how happy everyone appears this morning. . .

Mr. Roy Bodden: Mr. Speaker, I can assure him that I have no sense of humour for him.

Hon. Truman M. Bodden: I always have a sense of humour for that Honourable Member. He just does not appreciate it at times.

The reply, Mr. Speaker, is yes. I agree with what the First Elected Member for George Town has asked me. I always endeavour to do this. He is quite right, when the pressure comes on in the last two to three weeks before school begins, there is very intense pressure. Believe me, as the Member knows, I can put pressure on when I need to and I do press them to get this done.

I know that the PTA did a clean-up this weekend at the George Hicks and they did find areas of this. I am big enough to apologise, even though I did not know it happened and I will undertake to try to get everything that I can done on the schools during the summer. So I give that undertaking unreservedly.

The Speaker: If there are no further supplementaries, question No. 171 is standing in the name of the Third Elected Member for George Town.

**QUESTION NO. 171
(Deferred)**

No. 171: Mr. Linford A. Pierson asked the Honourable Minister responsible for Agriculture, Environment, Communications and Works to provide an up-to-date report on the malaria eradication programme.

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: As this happens to be a health matter, the question has been passed on to the Honour-

able Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation to be answered at a later date.

The Speaker: The question is that question No. 171 be deferred. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it

AGREED. QUESTION NO. 171 DEFERRED.

The Speaker: The next question is No. 172, standing in the name of the Third Elected Member for George Town.

QUESTION NO. 172

No. 172: Mr. Linford A. Pierson asked the Honourable Minister responsible for Agriculture, Environment, Communications and Works to state when the three-lane road works on West Bay Road will be completed and at what cost.

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Mr. Speaker, the answer was prepared some days ago therefore, as it states: The Public Works Department expected to complete the three-lane works by 15th November. Delays had been incurred due to inclement weather, heavy traffic and unexpected difficulties in setting out the lane markings. However, 99% of the work has been completed and working fairly well.

Projected cost to complete the works is \$190,000.00 which includes the hot-mix overlays, lane markings and installation of the pedestrian refuges.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: In a previous meeting of this House, the Honourable Minister gave an undertaking that the National Roads Plan would be laid on the Table of the House within the not-too-distant future. I wonder if the Minister could state if this particular work being carried out on the West Bay Road is in keeping with that particular plan?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Thank you, Mr. Speaker. As you are aware, there is another question on the Order Paper dealing with the National Road Plan. However, there are certain things I have mentioned before such as markings on the road, the Harquail Bypass, Crewe Road

Bypass, which will definitely form a part of the National Plan.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Could the Minister state, since he mentioned this National Road Plan, if it is presently being worked on and at what stage it is?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I did not mention the National Road Plan, it was asked of me in a supplementary. The most I can say is that it is subject to another question which will be answered later.

The Speaker: If there are no further supplementaries, that concludes Question Time for this morning.

READING BY THE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

APOLOGIES

The Speaker: I neglected to extend apologies for absence from the Third Elected Member for West Bay. Maybe this would be a convenient time to take the morning suspension. Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 11.07 AM

PROCEEDINGS RESUMED AT 11.40 AM

The Speaker: Please be seated. Debate continues on the Appropriation (1998) Bill, 1997. The Fourth Elected Member for George Town.

GOVERNMENT BUSINESS BILLS SECOND READING

THE APPROPRIATION (1998) BILL, 1997

DEBATE ON THE BUDGET ADDRESS DELIVERED BY THE HONOURABLE THIRD OFFICIAL MEMBER RESPONSIBLE FOR FINANCE AND ECONOMIC DE- VELOPMENT ON WEDNESDAY, 5TH NOVEMBER, 1997

(Continuation of debate thereon)

Dr. Frank McField: Thank you, Mr. Speaker.

I would like to continue by, first of all, making it absolutely clear that in discussing a Budget and the principles of Government administration associated with the

Budget, it is necessary to take into account (as I started to do) the very important aspect of leadership. Leadership is so important to the overall functioning of an economic environment. Leadership is also very necessary if we are going to get any type of feedback as to what we have done right and what we must continue to do, or what we must change in terms of our activities.

I also see economics as something that has to do with people. Because of this, and because I am a sociologist, I tend to always go the social way in that I talk about social aspects of our economic environment. I know that there will be other speakers, in particular the Third Elected Member for George Town, who will emphasise the more figure part of our economic exercise.

I started to talk about leadership because if we are going to make the type of money that we have outlined in the Budget, we must make sure that this present level of economic activity is sustained, at least through 1998. If this level of economic activity is to be sustained, it is my contention that certain errors that were committed in 1997 will have to be corrected. One of the major errors in our economic and political environment in 1997 relates to the First Cayman Bank situation.

I think it is necessary for me to clarify the misconception in this country which is that once we begin to deal with problems that people begin to see us as the problem. As soon as you become critical and say that certain things can be, and should be, improved, you get a bad name. It was quite clear to me that it was the intention of the Honourable Minister for Education, Aviation and Planning to lay the foundation for this misconception when he said that since we are one year away from the election that we should have no politicking. As I stated before (and please allow me to briefly say again), I believe that we are here to critique the actions and activities of our Government.

As long as I feel that I am not doing it simply for political mileage, but to give people a clearer picture of what is happening in the country, I feel quite justified in talking about not only figures and facts, but about feelings and perceptions of reality. I spoke about the feelings of the people who have lost at First Cayman Bank, and I will not go back to that point. I think I made it quite clear that it is my understanding that the Government of the Cayman Islands is not just morally responsible, but responsible; which means that they bear some type of monetary or financial responsibility in regard to this situation.

I am quite sure that many people will ask what the Government has to do with private enterprise, or what the Government has to do with a bank after it has given it a licence. Obviously, if I had a company and it went broke, the Government could not be considered responsible. But a normal company in this society is considered to have minor importance—a bank is considered to have major importance. One reason why banks have major importance is because we know that banking is the major industry in this country. So our relationship from the very beginning is structurally different with regards a bank or say a company trading luxury goods, or paint or other maintenance material.

For this reason we have laws which define what the conduct should be. It also sets up, or attempts to establish, certain institutions that will regulate the activities or supervise the activities to see that the banks do not endanger the reputation of the country, and do not defraud or carelessly misuse or mismanage the monies of the depositors. That is quite clear, at least in the motive. Now, whether or not this has been accomplished by the establishment of the Monetary Authority is a question that I would like to put before the House in debating the finances of this country and the ability of this country to remain financially stable.

I think that it is quite obvious that the Monetary Authority, in conception, was a brilliant idea. But, again, certain persons believe that leadership is management. For this reason I believe that our Executive Council became involved with the management part of this Law, rather than leaving this to the Monetary Authority.

If we would examine the power that the Monetary Authority has, and the power that the Executive Council has, it becomes quite clear that the Executive Council retain power control authority as regards the regulation of banks in this country so that authority was never delegated or given to the Monetary Authority. I believe that this is one reason why we have the First Cayman Bank fiasco—bad financial management on the part of the Government of this country in that they did not see that it would be better in the long run to have had their insurance policy being that you had an authority supervising the activities that would not have the same type of political interest.

Once we have the situation that we do have, where the Executive Council is making decisions about licences and about whether or not it be taken away, whether or not a licence is suspended; when the Executive Council is coming down and making decisions, or at least giving the public the perception that they are in charge of these issues, it is quite obvious that those of the public who are affected will say that the Executive Council is, in fact, responsible because that is the image that was projected to the general public.

Therefore, in considering this Budget we must consider that there is no sum of money that has been put aside to effectively right the situation at First Cayman Bank. There is no sum of money in this Budget that deals with Government having the foresight to understand that in order to make this country trustworthy and stable that they will have to repay the monies which the depositors lost at this bank because it was their lack of, let us say, foresight and planning which led to the problem in the first place.

Now, if we concentrate on some of the issues which led up to the suspension of the licence of First Cayman Bank, we will understand that at one particular point in May there seemed to have been individuals (or an individual) interested in buying First Cayman Bank. In fact, according to those individuals, and according to the person who was said to have owned the bank, the bank was sold. If the bank was sold in May, what do we know? Did Executive Council get involved in saying that the bank

could not be sold, or was really not sold? Or is Executive Council responsible for making decisions as to who can own a bank? How does it really work? If the bank had been sold, or if these persons had been allowed to purchase the bank, what would have happened? Would we still be in the same situation we are now? What was it about these persons business or personal records? What was discovered in May that caused Executive Council not to allow the bank to be sold to the group of individuals who would later on be said to have had some type of relationship in regard to the action that led to the depletion of the liquid cash at the bank?

It is necessary for us to see that even those of us in the public who did not have a full view of the events, that enough facts were actually coming out through the seams for us to have been able to begin to make up our minds as to what might later on happen. Many people in the public knew that there would be a problem. So, people went to the bank and asked for their money, and the people at the bank said, *'No, don't worry. There will not be a problem because we have this thing under control. The bank will be sold, everything will be all right.'* The Monetary Authority made certain statements that I believe convinced people again, because this is the Cayman Islands, this is a stable, economic community. If the Government makes a statement saying that the bank has no liquidity problems, then people will believe that.

It is going to be harder now for the Government to make statements and get people to believe them. But I did not cause that. The people demonstrating to get their money back, the depositors, the Committee trying to get the money back are not responsible for the Government's lack of credibility. The Government is responsible for this lack of credibility itself in not being able to manage a situation that, according to our information anyway, should have been managed. It is quite possible to say that it could not be managed because they have information that I do not have, but I can only discuss and debate the issue from my point of information.

In terms of the First Cayman Bank, it is necessary for the Government in putting together its finances for 1998 to consider seriously what it is going to do regarding those people. I am saying again that we cannot just treat it as a bank failure. It must be treated as a leadership failure, a failure in the leadership of this country. The two are connected.

We also have certain consequences related to the demise of First Cayman Bank that relate directly to the leadership in this country in that, as I said, there is a change of at least one Member of Executive Council. Why was that Member of Executive Council asked to resign? Did that Member do anything morally or criminally wrong? If so, what type of investigations are being pursued at this particular time? If not, why was that Member asked to resign? Was that just another attempt by the Members of the National Team Government to create a situation to make it appear as if they are not responsible for the failure of First Cayman Bank? Is it an attempt to say to the public, *'Look, we are responsible and this is our response. This is how we deal with the concept of*

responsibility—we chastise one of our own Members. We take him from up high and put him down on the back bench. Therefore, we have solved the problem. We have responded. We have dealt with it. I am not satisfied.

I believe that credibility in this country can only be established by our going one step further and not punishing one person. That is not good enough. We have to make sure that the Government accepts responsibility for what happens—say there was a failure in terms of the communication network. Say, *'We will see that it never happens again. We know what the loopholes in the system were and that we will cover them up and see that this never happens again.'* But, please, do not continue in the old traditional way of hiding away the problems because they will show up again at a later stage in our system.

One Member suggested during Question Time that perhaps those of us who are not lawyers are of an inferior quality educationally. I would like to say that stacking up the Executive Council with lawyers and technocrats will not solve the leadership problems of this country. Leadership has to do with more than interpretation of already existing facts. Leadership has to do with creativity, with sensitivity. Therefore, if the country is to remain stable, if we are going to be able to collect the amount of money that we are prophesying that we will collect, we have to change our attitudes towards people—because people generate economic credibility and economic trust and value. People generate that. Therefore, our people management is very important to our management of the physical result of human labour.

So, to say that what we are interested in is how well Government manages dollars, and not interested in how well Government manages people is a misconception of the whole human experiment and condition.

I was very taken back to know that in all we do there has been so much talk about change, and then when we look in the Budget we see that there is no money allocated toward MLA offices. I am very concerned about this, and I have expressed this concern to the Governor. I said when I was campaigning that I was going to be a full-time Member of the Legislative Assembly, and I established an office in January. I go to my office and work a full-time job. But I have to pay for that out of my own money. No attempt has been made by those persons who prepare the Budgets to see that people like me do not have to pay to work more. So the guy who does not do anything is being rewarded, while the person who is doing something is penalised. That is the way this system is set up.

We need leaders who perceive that and can make the necessary changes, because if we have little Members of Parliament, like me, out there working hard, interacting with the people, bringing towards you the ideas and feelings of the people so that you can better understand and represent them, you will be better off. But if everybody is saying that they are not going to work full-time jobs because at the end of the day you have to pay for everything—your office, your phone, your air-conditioning—because Government does not feel it should absorb those particular costs. . . . But at one time

that was all right for people to not work full time. It is not all right today because we can see the magnitude of the situation we are dealing with.

I am saying that sometimes bad leadership is the result of lack of time to concentrate on the issues at hand because they must be considered from so many different angles. We are dealing with people here, and people are not statistics—people are feeling beings. So there is a necessity in dealing with all issues to spend more and more time—time that we cannot necessarily quantify in the Budget. You cannot really say how much time I have worked over the last year, because when I go home on week-ends, I am still working. When I wake up in the morning I am still working because in my brain is where the activity takes place. I do not necessarily need to be in an office to work, and I am not saying that those of us who do not have offices are not working. But I am going to show that there is a need for us, if we are going to bring clarity to the situation and leadership, if we are going to bring solutions, to spend more quality time, not just with our constituents, but on the type of issues our constituents bring to us. This should be reflected in the Budget document. This should be reflected in the Budget Address.

One of the most pressing issues in this country today is what direction our economy is going in. Are we going to remain a *laissez faire* economy, or are we going to become an economy where Government intervention takes place more often on a day-to-day basis? Government intervention without Government consideration or Government planning?

I had a constituent of mine come to me and say that he had applied for a piece of small equipment to do some digging. I think the name of it is a BobCat. It is a little tractor with two little arms and looks like a toy that could relieve people from the manual intensity of digging. The person said he had made the application and nothing was being done. He needed it right away and asked if I could see what I could do about it. I immediately came in and spoke to the Minister responsible to find out that they are dealing with it on a Ministerial level, but it still has to be dealt with on another level because we have the Heavy Equipment Association that also has an input into whether or not people can bring this type of equipment in here.

Now, when we are going to run an economic system and we are going to have persons who already have specified economic interests dictate on a day-to-day level whether or not I can have a shovel. . . . Hey! That is no longer talking about free enterprise. Enterprise is not so free when we have people saying. . . in fact the Liquor Licensing Board in particular, that a situation is being served only as it was with the Island Companies application to sell retail liquor in the harbour. In other words, if we have two distributors there already, then it is all right. These are individuals coming in making decisions just like you have in Communist countries. The bureaucracy in those Communist countries made decisions, and those decisions were not made by market factors.

So, if we are going to talk about the economy which we are supposed to be doing in Budget Addresses, I think that we have to understand that in certain instances we are beginning to choke growth, we are beginning to choke the entrepreneurship of some of our people. We are beginning to tell them that they can expand so far, that they cannot really choose from using ten Jamaican labourers to one BobCat, because at the end of the day that is a natural evolutionary process that we go from intensified manual labour to machine labour. These are some of the types of considerations. The system has to be constantly re-examined. We have to spend quality time re-examining the system in order that we can improve it, so that we can reach the targeted amount of money in terms of income, and so that we can decrease the amount of money we are spending in expenditure.

When we are told that we have gained self-sufficiency in green bananas and mangoes (because this is basically where I should have started my debate) and say that we are now self-sufficient with green bananas and the mangoes. This is the great accomplishment of the National Team Government—self-sufficiency. Now, if I did not eat a lot of mangoes, I might not have information to query this. But, when you say self-sufficiency, you mean that the price of mangoes is up so high that the demand is down so low, then of course you are self-sufficient. But if you mean truly that all the human desires for mangoes are being satisfied in this country, then you are off-base—because the desire for mangoes is certainly not being satisfied. Some of us have to put aside that desire because the price of mangoes is so high. Where is self-sufficiency with regard to mangoes?

As to the green bananas, Sir, I eat enough ackee and codfish and have my green banana there, to know that somehow the quality of green bananas is very good, and that I would not debate the statement about self-sufficiency in green bananas because I really do not know it that well. But I go to the Farmers' Market quite often, and I do not always see nice green bananas there. I go to the Farmers' Market quite often and I do not see very good anything there most of the time. Because the quality of agricultural products at the Farmers' Market is very low indeed. This I do not have to second-guess. This I know because I make trips there all the time.

This as a criticism means that I would like to see the quality improve. This as a criticism simply means that I believe that those who take my criticism seriously will put those they hire to work, to work harder to achieve more. This is the way the system must work. The system must work because people spot how it can be improved, and unfortunately, in this Island, we always think that when people tell us something is wrong, they are insulting our personalities and our dignity. No, we are not talking about persons, we are talking about things. I can talk about mangoes without really talking personally about other people. So the fact that the Financial Secretary says in his Budget Address that we have gained self-sufficiency in green bananas and mangoes goes to show the lack of seriousness in this place.

We have to consider the whole principles of our economic environment. We have to consider these principles because they influence all things. When we are talking about economics, Mr. Speaker, we are talking about immigration as well. And the Third Elected Member for Bodden Town mentioned that if something positive was done with regard to long-term residents in this country, maybe we would have money flowing into the economy that did not have to come from outside the economy. It is already here, and people have already accumulated it here over a period of fifteen and twenty years. But if we are going to have the idea that if we cannot completely control labour—if labour cannot be indentured labour, semi-servile labour—it is risky to have. . . on one hand we have the so-called indigenous Caymanian that forms part of the labour force—that is supposed to be the free labour force—and on the other hand we have the so-called semi-servile labourer who comes from other places, in that the bureaucracy again, in the name of the Immigration Board, regulates the conduct of this particular labour. And we are very slow in allowing people to pass from work permit holders to Caymanians, in that they would not be restricted by the same laws.

When we have the whole problem of supply and demand in this country being so much dictated by Government and Government boards, and therefore individuals who sometimes have their own special interest groups to serve as well—But if I argue for a position, I want to see how that position fits my concept of reality. As we see that wages are not rising in this country, and one of the reasons that wages are not improving is because the supply of labour can be gotten from outside, and therefore people are capable of influencing that fact by saying, You can bring this person in, and therefore the Caymanian who is competing is not seen as valuable. Because if the concept of supply and demand really was a concept that just had to do with the Cayman Islands, and we say, Let us just put a wall around this place—all the supply of labour we have, and we would find that the supply of labour we have is smaller than the demand for labour we have, which would automatically push the price up of labour. So the person who is working here would be making more money. But we say, If there is competition, we bring in people from someplace else. So you might have the Caymanian carpenter who might be making the same amount of money basically he was making ten years ago, or nine years ago, or five years ago, and the increase has been very gradual because he has to compete against the mason or some person from someplace else; whereas if that person had a status after he was here fifteen years, he might join the Caymanian labourer and they might learn how to co-operate to a certain extent in terms of being able to present a case for an improvement in the amount of dollars which they can earn hourly.

We have many considerations, because many things influence our economic environment. The way we handle people influences our economic environment. But what I have always found odd—and I find this when we deal with tourism, when we ask questions about tourism,

and as the Financial Secretary has said about the positive growth in tourism in Cayman, is again, Is it improving consumption? To what extent? Could it improve consumption more? Would it improve consumption more and therefore the duty or the tax we are receiving, could that be improved if we had more Caymanians working in better positions in the hotels? Sure, because those Caymanians working in those better positions would be spending money in our local economy that would cause Government revenue to be improved.

So we have to see the interconnection between these things we are talking about. We have to see how, by giving money to education, we are giving money back to Government. So if the educational ability of your Caymanian is improved, the consumption will be improved, and therefore the general taxes of the Government and the coffers of the Government will be enhanced.

The call to improve the training of people at the hotel is not an idle call. We are saying that regardless of how difficult the problem might be, we should continue to pursue training the Caymanians. Because to a certain extent, it does not all have to do with giving them any type of skill other than a social skill, an awareness skill, a change in attitude type of situation. But this means process, and process usually means time and it means care and it means consideration, and this again is where we get the failure in leadership.

We get the failure in leadership because certain people believe that they are leading people that somehow they should not have any kind of emotional and sensitive relationships with, that somehow people can be motivated just by making laws, by creating policies. That people do not have to be motivated through beliefs and inspiration. The leadership failure has to do with not inspiring the people by way of ideas and desires. Because it is ideas, at the end of the day, that really motivate us. I know, because I went to the Honourable McKeeva Bush in January of this year with a programme called "College Discovery." I think he was excited about the programme. But he was careful, because he did not want to conflict with the programmes or the educational responsibility of the Member responsible for Education and Aviation, so he called him in on the discussion. The Minister for Aviation said to me that they have a community college here. In other words, that because he has a community college here, I guess he was saying that my College Discovery programme was not valuable. In other words, he had things under control. But what I was trying to give him was a different concept of how to reach down into the grass roots of this country and motivate people, and give them opportunities, because not every opportunity is an opportunity. Unless the person to whom you are giving it perceives it as an opportunity, it is not an opportunity. We cannot say we are giving the people opportunities when the people do not see these things as opportunities. We have to continue to work with them and motivate them in such a way that they will see them as opportunities.

I just got the mid-term report cards from eight students at Marathon Methodist College in Tennessee, students of this College Discovery programme. I am happy

to report that they are doing fine. I flew up there three weeks ago to see them. It was my first time in the South, in Pulaski, Tennessee, a very small town with some 9,000 or 12,000 people. The College has been established since 1860; it is a Methodist college with strong Christian principles. I saw these kids there in a different environment. One of the first things that shocked me, when I saw them, I said, They are okay. You know why? Because I could see that they were different from the way they are here.

Now they will come back here and pretend they are the same, because they have to pretend to everybody who does not believe in change, that they are the same way they were before they went away. I saw there that they were willing to be different, because the environment caused them to be different. It expected that they were different. It expected that they fit in to that environment that has been there since 1860. So they were different.

But now, if I were to find them on the streets of this country in summer, or Christmas time, they might be pretending as if they have not changed. But they have changed! Thank God, they have changed! And it is a good thing we have done. These are the types of programmes we need to talk about. We do not just need to talk about how much money we are spending on education and to say in the Budget that we are spending 15% on education, and that is as much as they spend in any developed country, or a little bit more than they spend in a developed country. We are just getting started, they are getting finished! How can you compare those statistics? We are getting started! When you are starting an engine it takes more fuel than when the engine is running!

So to say we have spent this amount of money, and we have a community college, and to say that we have this school and that school, does not mean that we are dealing with the problem of education in this country. Because the problem of education in this country is a very, very, very intense one. Because we are dealing with a country that is going through a transition, and a very serious transition from the point of view of values and ideas. And everybody looks, not at the ideas or the values, they only look at the so-called income. The income. But what about the outcome? Not just what we spend. What do we really get at the end of the day?

And now I understand that the reinvention of Government, which obviously is part of what we are looking at here, because maybe it promises us that in the future we will not have to spend as much money, because we will not have to employ as many civil servants, because the system will have been redefined, and that it will function much better because communication would have been improved, motivation would have been stimulated, self-reliance would have been better off.

So if we are saying we are going to improve and change the need for additional expenditures by creating an educational system in the country, we have to understand that we cannot just create a dynamic educational system by employing persons from outside the Cayman Islands and bringing them here and expecting them to educate our children. We have to understand the value

deficiencies which exist in our environment. Again, it is not to put down our people, but to show somehow that we are moving from an old communal type of system, non-competitive communal system, to a very competitive of free enterprise system. That means, gentlemen and ladies, Mr. Speaker, a significant change in the ideas.

A lot of the schooling here does not concentrate on ideas and values. It bypasses it and gets down to teaching people to do mathematics or biology or Spanish, but if they cannot do it, what happens? What happens then? Productivity in our country is also dependant upon the people who are non-professionals, the people who are not academics, also understanding their role. We have such a great need in this country for services, for people to repair things, to keep things, to maintain things.

We can bring the car from Japan, but we cannot bring the Japanese engineer here, because even if we were to give him a work permit, he might not want to leave Japan and come here. So we need people on the ground here to fix the cars the Japanese make. I am not saying we should aspire to become self-sufficient in the production of cars, but I am saying we should at least aspire to be able to produce and train the people to fix those cars, regardless of what the cost is, because it will pay off in the end.

Too often we get involved in asset-stripping, which means we do not pay sufficient attention to our people. We put them by the way, we send them to Northward, we have them as outcasts rather than saying, Let us go back, because these are all the assets we have, and let us repair them. I have seen places in the world where you go and you cannot get a new car, so the people are fixing the new cars. This is a place where it is not easy to get new people. Let us try to fix some of those people who have some problems and put them back in the mainstream again. Bring them back into the mainstream by actually spending some money to be creative. This demands a much more creative, much more human approach to the administration of Government and through using finances for the improvements.

Mr. Speaker, I think my words might fall on very dead ears because while I am speaking, I know there are people who are already prepared to respond to what I have said, rather than perhaps to think about what I have said. It seems that is always a question of ducking in this place—ducking. Nobody wants to change, you know, nobody really wants to change. My format is different. I come from the school that says that leaders are not clerks, but leaders are people who have vision, people who have determination, people who have desire, people who have the people's interests at heart. Then there are those people who say that type of thinking should be kept out of this reality for as long as possible, as it was before.

But I think there are some people in this country who are beginning to understand that there is a significant interconnection between our social and our material environment. That if the Caymanian people were not good people in the first place, we would not have had the kind of economic prosperity which we do have. That if the Caymanian people are not encouraged and are not fed

the values and the stimulus which are necessary to cause them to remain different than people in other jurisdictions, we will lose the wealth and the prosperity. That the people were the key in the beginning to the establishment of wealth, and the people are the key to the preservation of that wealth.

How we treat them, whether or not we say that we have solved the problems of education, as I say, when we know that, for instance, the after-school programme brought in by the Honourable McKeeva Bush, at that time, who was in Community Development, has helped tremendously, tremendously, to enhance the job being done by the Education Portfolio. So we are beginning to understand that there is a connection between the child going to school and the child coming home, because the child cannot just be educated in the school environment, the child also needs to be educated, or that education needs to be reinforced in his primary environment, his neighbourhood.

If we are going to send kids to school from 8.00 to 3.00 and then what are they going to do from 3.00 until 8.00 the next morning? What happens to them? Do we consider this? Do we have people on the ground here, do we have strategists on the ground here who are not just speaking their opinions, but from a scientific or a social scientific approach, have evidence to suggest—this goes all the way back to 1977, when I wrote a letter with regard to pre-schools and the need for parents to be assisted with the instruction of their children. Because when a person goes to school, the teacher says things, but unless it is repeated, it falls away. So that needs to be practised. If you are doing theatre, the first thing you do when you want to learn your lines, is to put yourself in the situation, so that it becomes easier to remember. But just take, for instance, a child who is learning British history, or learning things with relevance . . .

The Speaker: I would like to call to your attention that Standing Order 36(1) says, "**Except on a motion for the adjournment of the House, the debate shall be relevant to the matter of question before the House . . .**" I appreciate the fact that you are elucidating on what is in your mind, but I would ask that you come back to the Throne Speech, the Appropriation Bill. We are now debating the Appropriation Bill and I am saying that a Member shall direct his speech to the question under discussion, and avoid digression or irrelevance. So please attempt to do that. Thank you. Please continue.

Dr. Frank McField: Mr. Speaker, I am sorry about the irrelevancies of my utterances. I realise that most of what I have said has been irrelevant for a very long time, and it probably will continue to be irrelevant for a much longer time. But if I were to be allowed, Sir, with all due respect, to bring to your attention the fact that I have a Budget Address in one hand and I have financial statements in another hand—two completely different documents, Sir.

I would like to also bring to your attention, Sir, that under certain Heads here in terms of the Budget Address, which I am debating, it has "Introduction," "World

Economy," "Domestic Economy," "Financial and Business Services," "Tourism," "Agriculture," "Banking, Real Estate and Construction," it has "Economic Outlook," "the state of Public Finances," "the 1997 Revisited Budget," "General Revenue Fund," "Public Service Pension Fund," "Housing Service Fund," "Public Debt," and so on and so on and so on.

If I might say, in discussing the question of education, if I am talking about specific funds, if I say, okay well they are going to spend \$25 million on education and they are going to do this at John Gray High School, and I thought that is what we are doing in the Finance Committee. So what I have a real problem with is the fact that—and I think this is what should improve a forum—is the different perspectives. Obviously my perspective is a different perspective.

If I am talking about education from the point of view of whether or not we are spending enough money, and whether or not we are spending enough money in the right direction, because we might not perceive the problems as they should be perceived—I mean, where else do you address this, but in this type of situation? I think the Financial Secretary challenges us when he paints a picture of where it is all fantastic. I have to show to a certain extent that maybe the figures are all incredibly large in terms of our intake, but when we look into the root, into the soul of this country, what we do not have is a beautiful picture like this.

Because reality is not stagnant. Reality is dynamic, and we are chasing after what is real, what is important, what is pertinent to be considered. I do not mind if you think that I am totally off-course here, but it is a question of different perceptions of reality, and if my reality has to be thrown out again, it shall be. But I do not have any way of knowing how to change what I learned. And what I learned is that everything is interconnected, and if you deal with one part and do not deal with the other part, you really have not dealt with it.

So I believe that if I got back to the whole question of the fact that the Government had spent too much money, and Government should not be borrowing, people would probably understand that a little bit more. I am not saying that Government is spending too much money, because I cannot tell if Government is spending too much money. The reason for this should not be because Government is borrowing. So borrowing does not make what Government is doing good or bad, not to me. So I do not want to discuss that! It does not mean anything! What does it mean if they borrow \$60 million? As long as the economy keeps vibrant, their ability to pay back not damaged by bad leadership. It does not matter.

My stress has been that the lack of leadership is much more detrimental and could change the possibility of us being able to raise the amount of money we need to raise, because people might not have any trust in dealing with certain people! Not the fact that somebody goes and borrows a certain amount of money, because at the end of the day, our ability to pay is what we should be considering.

So I might disagree with the opposition right there, but I do not suppose that will necessarily make me any worse a person. I am saying also that in terms of a rainy day—I do not believe that saving for a rainy day means putting up the apples, or putting up the corn, and not planting something. Saving for a rainy day, as far as I am concerned, means that we are always prepared, that we are improving upon what we have. So I do not see anything wrong with the position taken by the Financial Secretary with regard to borrowing. I am not critical of that. But when we come to issues like people's freedom . . .

The Speaker: May I interrupt you just one moment? Before you go into another section, this would be a convenient time to take the luncheon break. We shall suspend until 2.30.

PROCEEDINGS SUSPENDED AT 12.44 PM

PROCEEDINGS RESUMED AT 2.52 PM

The Speaker: Please be seated. Proceedings are resumed. Continuation of debate on the Appropriation Bill. The Fourth Elected Member for George Town.

Dr. Frank McField: Mr. Speaker, before I stopped for the afternoon break, I had reached for the Government's Estimate of Revenue and Expenditures for the year ending December 31st, 1998, so that I might attempt to make my comments more in line with your request for relevance. On page 210 under "Details of Capital Acquisitions by Classifications," item 06 1701 under "Communications Equipment" for the Special Branch, there is a mini-camcorder for evidence-gathering purposes during public meetings and demonstrations; two Olympic micro-cassette recorders. This is equipment the Government feels is necessary to purchase, and as I tried to show in a later point, there is a direct connection between things and social and political realities. Because if there will be evidence-gathering during public meetings and demonstrations, it goes to show that somehow, in voting for this Budget, I will be condoning a particular type of behaviour. I think that is exactly the purpose of my being here in this Legislative Assembly, to be able to distinguish between what is right and what is not. And to vote money for that which I consider to be right and correct, and not allow money to go towards things I find to be not morally correct.

Now the United States of America was created as a reaction to this whole process of taxation. The Government would have no revenue without tax measures, and tax measures are, in the end, connected, whether or not we believe in them. The House of Representatives in the United States convenes to give approval for monies. This approval, if we go back to the history, just to make an example, is that they say, No taxation without representation. So if I am to vote for the continuation of taxation, I want to make sure that the people I am representing have representation, that I am allowed to represent what they consider to be the realities as well.

I think it is only clear that when we consider the Standing Orders with regard to Standing Order 63(2) on the motion of the Second Reading of an Appropriation Bill, "**Debate shall be confined to the financial and economic state of the Islands, and the general principles of Government policy and administration, as indicated by the Bill and the Estimates.**" So, in order not to get into the details, I have tried to show, and I will continue to show, the relationships between the money that is being spent and the task that is being accomplished or not accomplished. Perhaps I have not been talking about Government administration and Government policy, but perhaps the lack of it.

I would like, therefore, to see in the future, some of the views I have expounded upon included in Budget preparations, and I would like to see some of the things I have considered to be important considered when we are financing Government's expenditure, just like when we see the amount that will go towards providing the Special Branch with equipment because somebody decided at some particular point that was important, that it was important to tape record people at demonstrations and public meetings.

I might not think it is important, and therefore I might not want to vote for this, and therefore I might have to explain the social realities that I understand, in order to justify my position. So there is need for me to show, in relationship to certain instances, how my position comes to be the position it is. I think the public deserves that explanation; I think the House deserves that explanation. For when we go into Finance Committee, I am quite sure that Members of the Government will find that I will not react the way I did in the last Budget sitting.

It is quite obvious that some people have taken from the *Hansard* from the year 1992. They have quoted at length what is the relevance of what happened in 1992 to what is happening today. I am not going to be one who goes back to Hansards to remind people of what they said, because I do believe people are changing. So what you say tomorrow might not have any relevance to what you are today. And I do not like to remind people of what they said yesterday, I just like to remind them that as dynamic human beings, they always have a possibility to be something different today than they were yesterday. That is how I have tried to live my life.

In also taking up time to disclose my view of this Island's state of affairs, and to talk about the general principles of Government policies and Government administration, I also want to take this one opportunity to thank Mr. McKeeva Bush for what he has done also in the area of sports . . .

The Speaker: Honourable Fourth Elected Member for George Town, would you sit just one moment? Standing Orders state that you should refer to the Member by position and not by name. Please do that in the future.

Dr. Frank McField: Mr. Speaker, thank you very much for the correction. I do appreciate it, but I forgot where

exactly he was, and the position he had. But now I remember he is the First Elected Member for West Bay.

In talking about the Budget, Mr. Speaker, I realise also the very important role that sports plays in our society, and what he has done in seeing that sport was brought to the level to which it has been brought. Just Monday, I was at the Truman Bodden Sports Complex, watching a football game between Scholars United and George Town Sports Club, and the stadium was packed. The T.E. McField stand was absolutely packed with people, and everybody was having a wonderful time. I had to reflect, Mr. Speaker—when we talk about value for money, when we are talking about spending, there were some difficulties with the George Town Sports Club at the end, because they felt they should have won and they did not win. But, Mr. Speaker, I said to one of the players, Do you realise what people would be doing or not doing if you had not been playing football? Do you realise how many people you were entertaining and enlightening for those 90 minutes? So, although we give to sports, sports also gives back to us.

I also mentioned the amounts of money that have been spent on pre-schools, after-schools, and I have said that is a wonderful programme, and I hope that Government continues to support it. I notice that there have been some changes in terms of responsibilities in the area, that the Portfolio is not the same, it has been split up. I am wondering also if I might comment on that, since we are going to pay money out for it, if it would be wise for me to say perhaps at this particular time that certain things should be kept together, because they evolved together. I cannot see how we separate community development from social services, because essentially they are the same. And I see a little bit of lack of wisdom or hastiness or convenience stepping in there.

Maybe it is quite possible to imagine that the new Member had other areas of interest, and perhaps those should be the responsibilities that Member is charged with. But, as you go along, Mr. Speaker, I am saying that my support for this Budget, my vote to allocate this amount of money, will depend upon whether or not I feel satisfied with the performance of the Government over the year 1997.

In looking at some of the policies, in examining the policies and examining the whole administration, again I have concern here, and it is not a praise but it is a concern, and it could come under some title, in that I have a little bit of a problem with the whole idea of Cayman Brac District Administration being under an elected Minister at this particular time, Mr. Speaker. I have a serious concern about that. I would ask that in consideration that Members in a position to make these types of decisions remember that when they are making these decisions, they must come back to the House for the money to carry out such decisions, and that they might come up against obstacles when their reasoning seems unjustified sometimes.

So we have to make sure, in making changes and trying to put the House back in order, that we make changes the Backbenchers can understand and can ac-

cept. Because, believe it or not, Mr. Speaker, this House is here, not just to consider money once a year. This House is about money. Representation is all about the right to take money out of people's pockets in order to put them into areas we consider to be the priorities of the society. This House is about taking away individual rights and freedoms to an extent in order that we might improve collective rights and freedoms. This House is all about money, because without the money, we could not do these things. But without having to do these things, we would not have to be talking about the money in the first place.

So the fact that we are discussing the Budget in the first instance means that we are making greater social considerations than are contained in these Estimates. If we go back to the old way in which the Budgets were prepared, and I think in this new Budget it is the same way, they call it the Ambit, and they give us an idea of what they need to accomplish, and they give it to us in a social and philosophical language, and I would like to demonstrate that point. This is under the Treasury, to exercise a mission statement is, "**To exercise financial control and ensure efficient collection of revenue, control of payments, and safe custody of public moneys, and to prepare timely and accurate Government accounts and financial information.**" The Ambit of the vote, what they can use it for: "**To maintain the statutory [Government] accounts; provide budgetary control of government expenditure, financial reports and forecasts of revenue and expenditure; manage the implementation of new financial procedures and IT systems; determine financial**," it goes on and on.

So even though this Budget is condensed to a few pages, or a few hundred pages, and although there are a lot of figures in this, there is a lot of figurative language. There is a lot of use of language and concept that implies that they have taken into consideration a greater social reality than appears to the unschooled.

In looking again at what our Government is asking us to do, the Government is asking me to vote along with a Budget that will borrow money. The problem here right away is that most people in the Cayman Islands have been politically educated to think that borrowing money is bad. But yet, although those people might say this is so for the Government, we have to look at (just excuse me for a second, I was just trying to get to the point of Personal Loans on page 10 of the Budget Address). It says that "**Personal loans remain the largest category—with a total of \$435.4 million approved for the year.**" And we look at the total amount of deposits, which are \$402.7 million, and we notice that the amount of loans is higher than the amount of deposits.

The amount of personal loans is higher than the amount of deposits. What does that go to show? It demonstrates again that in seeking justification for borrowing, the Government would get consideration for this from a person like myself, who sees the apparent contradiction, that if the citizens of the country carry on and conduct their personal economics in this particular way, it sug-

gests that, by way of consensus, they would have no reason to suggest that Government should not borrow money, because they are living to a certain extent, off loans.

Again to show justification for that, I might need to suggest that, with the development of surplus value in our societies, which is a result of man's collective history, we find that I do not have to work for a house before I can afford a house, because the production of the house is independent of my working for it. Therefore I can have the house, I can have the car, without working for it. As long as there is a possibility that I will be employed, or that the person could be employed, I find nothing criminally wrong with people borrowing money.

So I do not have a problem with the Government borrowing within what they consider to be the internationally acceptable margins because of the same type of accounting, and I am not going to play politics with them. I say you can borrow as long as you show me that you can pay. And you can show me that you can pay by showing me that your administration is sound, that your policies are sound, and for me to be able to know this, I have to examine your administration and your policy at the time in which you come to me for the money. So again, they get let off the hook when it comes to borrowing.

I cannot go and tell the general public that I am displeased with this Budget because it is borrowing a certain amount of money, and because of this and that. My displeasure will only be connected to what I consider to be bad management and not because . . . I am saying that this country can continue to be prosperous if we educate your people, if we teach the people the value of what they have, if we teach the people how economics has to do with interdependencies rather than with independence. We are not independent, but we are all interdependent, just like how all issues of this Budget are interdependent in order to make concrete Government policy.

In coming to what should be my conclusion, since I think I have rounded off my point, and I think I have made my point, and I thank the Speaker very much for his indulgence. My style is a new style: It shows the interdependence between things. It shows that if we have an egg, we cannot praise that egg without praising the hen. It shows that if we mistreat the hen, we will not get any more eggs. This is always the story about the Goose That Laid the Golden Egg. Cayman laid the golden egg. The people of the Cayman Islands laid the golden egg; they are the goose. We have to make sure we do not kill that goose. Because if we kill that goose, we will not have the eggs. We have to implant in our whole concept a humanistic view, and that brings back my memory of my first debate in this Legislative Assembly—talking about the human characteristic, the special Caymanian humanity.

We must protect that, and again, in summing up, I would say that protecting our Caymanian humanity has a lot to do with what we are dealing with now today with regard to First Cayman Bank . . . How we deal with those poor depositors will reflect whether or not I was correct in

saying that we have, in our heritage, a special heritage, and that we have a special humanity. Not that we will not lose money when we try to rectify the situation, but at the end, Mr. Speaker, I am saying that it would be an investment, not only in our humanity, but it would be an assurance to the entire world of how we do business and how we conduct business. And that, Mr. Speaker, rather than sweeping things under the rug, is the correct approach.

Because I have lived abroad, I know that people abroad see what is happening here all the time. That is why people from abroad were able to come in here and make the types of investments in our economy they made, because they had an overview of the situation here. They do not think we are perfect. We do not have to be perfect. We do not have to say, We do not make mistakes. We just have to say that we are responsible people, responsible enough and human enough to respond to our errors just like any developed person would respond. That is by saying, We will correct it, we will see, if possible, that it never happens again.

We are dealing with human beings. And although I might have seemed a little callous in terms of my critique, I want people to remember that I still remember that I am dealing with human beings, whether or not I am dealing with the Government. The Government is composed of people, and I know that people can make mistakes, that we can sometimes not catch all the things we are supposed to pay attention to.

So in summing up, I just want to say that when I came in here, I came in here with the idea of trying to get a motion to take duties off foodstuff, and I ended up supporting additional revenue measures. And I went ahead and I did that, and I explained to people why I did that, and I went on television and I explained, when other National Team members did not go on television and explain. I supported them then, but I have a problem with this Budget.

The problem with this Budget stems from my experience in this House so far. Because I do not feel that we are conducting this Parliament as if it is an open Parliament. We are conducting it as if it is a Parliament where we have a group of people in a political party that is controlling what happens and what does not happen, and therefore what I do or do not do, does not have anything to do with anything.

My support or my rejection of something does not seem to be important. We saw that in the election of the last Minister to replace the Honourable McKeeva Bush. We saw that my vote did not mean anything. And I would like to make it absolutely clear before I finish here, that I voted, and I will tell the country how I voted in November when we chose an Executive Council. I voted for one person because that was my contact with that particular group of people, because that man did a lot to help me out of the hole I was in. My loyalty to that group went down when that man crossed and came over here.

And I know I am not going to be a criminal in not saying that I did not ask for him to step down, but I think it is about time that if we have reasons to believe that something went wrong, at least the country should know.

If nothing went wrong, then maybe he should not be on this side at all.

So when it comes to scrutinising the Budgets, when it comes to saying to the Government that it can get a certain amount of money and spend, and that I will go back to the people and explain to them this thing, they do not have it in me this time. They do not have it in me because I have lost moral confidence in them. I have no confidence in the National Team Government at this time. I have no confidence in their ability to continue to manage the country, and therefore, Mr. Speaker, I do not think they should be given any money until they come and tell us how they are going to deal in particular with the First Cayman Bank situation. Thank you very much.

The Speaker: Does any other Member wish to speak? The floor is open to debate. Does any other Member wish to speak? If no other Member wishes to speak? (Pause) Does any other Member wish to speak? (Pause) I cannot wait too much longer, so please make up your mind.

The Third Elected Member for George Town.

Mr. Linford A. Pierson: Thank you, Mr. Speaker. When I am through, I do not think you will have a problem getting anybody to stand up and speak.

The Speaker: Thank you.

Mr. Linford A. Pierson: Mr. Truman, you hear me. . . I am sorry, Mr. Speaker—Minister for Education, Aviation and Planning, and I would like to deal with that Honourable Member before I get into the meat of my debate. I have a lot of respect for that Honourable Minister, Mr. Speaker, but like many members of the public, I am getting somewhat tired of the juvenile approach that Minister has in jumping up in this House, trying to let other people feel that they have never been to school.

He is always boasting about some nine qualifications. Now, had it not been for the fact that each Member of this Honourable House was elected because of some quality or another that the people saw in them for leadership, we would not be here. Mr. Speaker, I am not aware of any Rhodes scholars in this Legislative Assembly. I am not aware of any Oxford graduates, Cambridge graduates, Harvard graduates, or any of those level of academic achievements. Mr. Speaker, we are here because the people feel that we are suitable for representation.

I am not saying this, Mr. Speaker, because I feel that I cannot stand with the best of them when it comes to qualifications, because I feel as qualified as any Member in this House to speak on this Budget. It is a financial document, and I believe the people who are qualified to speak on the accounts of a country, or even a corporation, are professional people in that particular discipline.

There are two qualified professional accountants in this House, Mr. Speaker, and I happen to be one of them. I hate to do this, Mr. Speaker, because many people know of my capabilities, and I do not need to come into this House and keep reminding the Members that I am a qualified person. There are many Members of this House, Mr. Speaker, who do not have professional quali-

fications, that I would take my hat off to. They are very good representatives indeed.

And Mr. Speaker, I hope that will cease from this time onward. Either the Minister, and any others who want to follow his example, put up or shut up. Let us see the qualification, Mr. Speaker. Could it be that they—70-80% of those qualifications—are honorary, based on maybe one or two good academic qualifications, and you are then able to join a number of other bodies and use those titles? Let us stop that, Mr. Speaker.

Hon. Truman M. Bodden: Mr. Speaker, on a point of order, what is the relevance at this stage of spending twenty minutes on my qualifications?

Mr. Linford A. Pierson: He spoke about it, Mr. Speaker.

Hon. Truman M. Bodden: I merely replied to what Mr. Roy Bodden . . .

Mr. Roy Bodden: Mr. Speaker, the relevance is answering that Minister.

Mr. Linford A. Pierson: Mr. Speaker . . .

The Speaker: Continue.

Mr. Linford A. Pierson: Mr. Speaker, that Member is the first to get up in this House—I knew I would have him jumping up—he is the first to get up in this House and talk about keeping his debate on a high level. Mr. Speaker. It is difficult to defend the indefensible. He has really nothing to defend in this Budget, that is why he is taking such a low profile on it. But I would like for that Honourable Minister to give an assurance that this sort of behaviour will cease. He is no more qualified than any other professional in this House. So it should stop. I do not know who he is trying to impress, but certainly not anybody on this side of the House.

Now, Mr. Speaker, I wish to make my contribution to the Budget debate, and in so doing, by inclusion, to speak to the Second Reading debate on the Appropriation Bill 1998. It was Sir Harold McMillan, former Prime Minister of England, who said, “I have never found, in a long experience of politics, that criticism is ever inhibited by ignorance.” I trust that in my comments on this Budget Address, I will indeed throw some light on the debate, and may not be so accused.

Mr. Speaker, before speaking on this Budget debate, I wish to make it quite clear that I fully appreciate the difficulties that the Financial Secretary, the Honourable Third Official Member, and his capable staff, the Deputy Financial Secretary, Mr. Joel Walton, and others have had in putting this Budget together. I see them as managers of Government funds. I view the Executive Council, and in particular, the elected Ministers of Executive Council, as the management, or the board of directors. They are the people who set the policies.

The civil servants, be it the Third Official Member of Council or otherwise, carry out those policies. I have no

problem with even the projections made by the Government officials, even though, as I move on, I will make reference to one or two of those projections I feel may be somewhat unrealistic.

Further, Mr. Speaker, I wish to make it quite clear that I hold the Honourable Financial Secretary, the Third Official Member, in the very highest regard. So any reference I have made here, or that I will make, during my Budget debate, will have no direct bearing on that Honourable Member. Because I see this Budget as the National Team Budget.

I admire the courage of the Third Official Member in reading this national Budget, and his zeal in delivering it is exemplary. But alas, Mr. Speaker, the Budget, in my opinion, is somewhat unrealistic and unattainable. But as I mentioned, this is not his Budget, it is the National Team's Budget.

I have heard mention that if we are going to critique this Budget, we should come up with the solutions. That has been tried in this House before, and the Honourable Member for Education is the first to take it and tear it apart and throw it in the face of the people trying to help. We have seen this happen many times in this Honourable House.

Mr. Roy Bodden: The Fiscal Responsibility Law is a good example.

Mr. Linford A. Pierson: Mr. Speaker, they were elected to the Executive Council because it was felt that they had the ability to govern. There are certain things, Mr. Speaker, that have been done over the years that I feel require some level of appreciation, and one of those is the development of the Stock Exchange over the past ten months. But much of this credit must go to the private sector involvement under the very able and capable chairmanship of one Mr. Anthony Traverse and his Board. And Mr. Speaker, I wish to record my appreciation for the very hard work that people like him in the private sector have done in the development of this Stock Exchange.

Unfortunately, the same cannot be said about another area, another authority, which has been recently established, namely the Monetary Authority. While I support the view that the Authority is fortunate to have attracted some competent and highly skilled staff, they nonetheless seem to lack the autonomy and the authority to operate as freely as they should. There appear to be too many Government controls, and, unfortunately, too much Government interference.

An example of the erosion of this Authority was the handling of the affairs of the First Cayman Bank . It is my understanding that as far back as 1994, there was a red flag raised concerning the operations of that Bank. The question that comes to mind is, Why was not immediate action taken to address the problems at that time? Why was it left to become a crisis? I have to ask the question that begs to be asked, Is this another example of the crisis management of the National Team Government?

Notwithstanding the assurances given by Mr. Neville Grant, Managing Director of the Monetary Authority, in

his letter—this is a public letter, that is why I am referring to it, Mr. Speaker—in reply to Mr. Rex Rankine, I have to say that if he, in his role as the Managing Director of the Monetary Authority, felt that he was not equipped with appropriate laws, then it was his responsibility to make sure that they were put in place. I found it a complete waste of the public's time, and Government funds, for him to have wasted almost a whole page of the *Compass*, quoting sections of the Bank and Trust Companies Law to the public. What was the purpose of it, Mr. Speaker? The question is today, Why did not the Government, the Monetary Authority, take appropriate action on the First Cayman Bank before it got to the point where it had to be closed down? And where the victims of this action were the poor depositors.

The bigger question is, Who is to be blamed? Is it correct that through perhaps some form of information, be it insider information or otherwise, I do not know, but it is talked that major deposits were withdrawn from that Bank within two weeks before the licence was revoked. Is this correct? These are some of the speculations out there that need to be put to rest. What is all this secrecy about?

I was very shocked when I heard the Minister for Education admit in this Honourable House that he questioned one of the people who was consoling the depositors—a man who is highly respected in this community, a Mr. Billy Adams—because he was seen talking with the depositors. He asked him if he had any deposit in the Bank! And then appeared to think it was funny because he had an interest but had no deposits in the Bank. I do not see anything in that to laugh about. The Minister gets up in this House and says he is trying to lighten the atmosphere. But you know, Mr. Speaker, his antics sometimes would be laughable if they were not so serious. This is a very callous statement for someone in that responsible position to have made to a member of the public. I wonder what he would have said if he had been one of those poor victims—one of those depositors who lost their money.

I also understand that remarks were made to some of the depositors that they should not be worried about what is going on, because banks go under every week in the States—another callous remark. Some of these people lost their whole life's savings. And somebody will have to accept the responsibility. If the Monetary Authority and, by extension, the Executive Council, knew from 1994 that the First Cayman Bank was experiencing liquidity problems, or any other form of problems, then a red flag should have gone up, regardless of what assurances were given by the management of that Bank. And by a similar extension, Mr. Speaker, if any blame is to be placed, it must be placed firmly and squarely on the shoulders of the Monetary Authority and the Government Executive Council.

One has to ask whether this would not also involve collective responsibility. We are fortunate to live in a country, to live in a territory that is considered one of the premier international financial centres. I think we have much to be proud about. I think we are miles ahead of

many of our competitors, miles ahead of some of the more developed regional neighbours. With 35,000 people, I think we have done a great job to be the fifth largest financial centre in the world.

We run a grave risk of losing investor confidence if we allow a situation like this to go unattended and in a timely manner. It is not good enough for anybody to get up in this Honourable House and talk about the matters being handled by the liquidators. I am a qualified accountant! I have done liquidations, and I happen to know that every accountant looks forward to a liquidation! Because if he has not yet made it, he will be on his way to making it financially. And why is that? Where would the money come from, if not from the liquidation process?

So the liquidators are in there, Mr. Speaker, to get as much as they can. And somebody has to move in, and move in fast to protect the investments of the depositors. I am not here to say that Government must write a cheque to every depositor. I am here to say that they cannot callously walk away and say that banks go under every week in the United States, and think that is the answer to the problem.

If confidence is lost in our ability to properly manage our affairs, our financial industry, and indeed other sectors of our economy including tourism, will be seriously damaged. Because we know that for many years, the financial industry and tourism moved hand-in-glove.

The Speaker: Would this be a convenient time to take the afternoon break, or would this break your train of thought?

Mr. Linford A. Pierson: This is okay, Mr. Speaker, thank you.

The Speaker: We shall suspend for fifteen minutes.

PROCEEDINGS SUSPENDED AT 3.49 PM

PROCEEDINGS RESUMED AT 4.17 PM

The Speaker: Please be seated. Debate continues. The Third Elected Member for George Town.

Mr. Linford A. Pierson: Thank you, Mr. Speaker.

Just to let you know, sir, that you can call for the adjournment at 4.30 and not give me extra time, because I will be continuing tomorrow, God willing.

The Speaker: On Wednesday.

Mr. Linford A. Pierson: Wednesday, sorry.

(Members' laughter)

Mr. Linford A. Pierson: Even Mr. Truman is admitting that everybody makes mistakes. That is good to hear coming from him.

On the question of First Cayman Bank, I am happy to see the managing director of the Monetary Authority

here in the Gallery. I am just a bit disappointed that he did not come a bit earlier as I cannot repeat my comments on the Authority, but he can get excerpts from the *Hansard* on what I said.

The gist of it was where the Monetary Authority is concerned, and it happened during the National Team Government of 1992 to 1996, in 1994. The Auditors, from what I understand, qualified the financial statements. They were not happy with the conditions at First Cayman Bank. I do not believe that the present managing director of the Monetary Authority was in office at that time, but some three years ago (and perhaps before) there were signs that there was a problem at First Cayman Bank. My question is: Why was it left to deteriorate to the stage where millions of dollars at that bank are now in jeopardy?

It is not good enough for the Monetary Authority, as far as that goes, the Executive Council, to say at this stage that it is just a matter for the liquidators. It goes further than that. As I said earlier, if the Monetary Authority, or, indeed, Executive Council, feel that the Bank and Trust Companies Laws need to be strengthened, then they should bring the appropriate amendments to those Laws.

I was saddened to learn from some of the depositors that there seems to have been some directive that went out to those demonstrating—and it was a peaceful demonstration—that if they are foreigners without work permits that they should not demonstrate. They were not told that they could not put their money in the banks of the Cayman Islands. Yet, when they stand out there with a placard, because they are not Caymanians, they are told that they should not demonstrate. How callous can we get?

Mr. Roy Bodden: Undemocratic.

Mr. Linford A. Pierson: The Financial Secretary told us that he and his staff will continue to monitor the situation with a view to finding a solution. Knowing the gentleman as I do, I know that he will honour this commitment. But I must say to that gentleman, with all due respect, that the question is: How long will it take Government to find that solution? Now we are told that it is Government's intention to explore the possibility of depositor's insurance, to provide protection to depositors. As far as I know, there are several banks in the Cayman Islands with 'A' Licences, fully licensed, that can accept deposits over the counter. But most of those banks are branch banks, or subsidiaries of very large international banks. I do not think that this deposit insurance will apply or be practical to the operation of banks such as Barclays Bank, Royal Bank, CIBC, Bank of Nova Scotia, and so on. This deposit insurance would be more applicable to the smaller banks. I believe that it is coming late.

One Minister said that hindsight is 20/20. It is a pity that the National Team Government did not long ago put the necessary financial mechanisms in place. By that I mean that we should have a proper financial plan for these islands. What has happened to the Medium Term

Development Plan? What has happened to the promised revision to the Finance and Audit Law? What has happened to the promised revision to the Finance and Stores Regulation? What has happened to the promised revision of the Public Sector Investment Programme? The National Team Government is being managed by crisis—no plans! No vision! For lack of vision, our people perish.

The question today which has been in existence ever since the problem with First Cayman Bank is: What plans are being made by Government to help the depositors? I was talking to one of the depositors who told me that she had \$112,000 in the bank, all the savings she has ever had to help school her daughter. Today she has nothing. Many of those depositors are in that same position—they have lost everything that they had!

Mr. Speaker, I would not be going on about this if I felt that it was an ordinary collapse of a bank, in the normal course of business. There were sufficient signs that something was wrong. I understand that in 1994 the Auditors even resigned the audit, and that in 1996 they refused to give a clean report. But I have no way of verifying this since everything is so secretive. Something needs to be done. Somebody has to take the responsibility for this bank.

I understand that it has even been said that the blame now for even the run on another bank was publicly stated to be the fault of the depositors. I can understand if somebody says that in a private group, but when you are going to publicly state something like, it is quite a serious statement.

MOMENT OF INTERRUPTION—4.30 PM

The Speaker: We have reached the hour of 4.30. I will entertain a motion for the adjournment.

ADJOURNMENT

Hon. Truman M. Bodden: Mr. Speaker, I move the adjournment of this Honourable House until Wednesday morning at 10 o'clock.

The Speaker: The question is that this House do now adjourn until 10 o'clock Wednesday morning. Those in favour, please say Aye. . . . Those against, No.

AYES.

The Speaker: The Ayes have it.

AT 4.30 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM WEDNESDAY, 19TH NOVEMBER, 1997.

**EDITED
WEDNESDAY
19TH NOVEMBER, 1997
10.24 AM**

The Speaker: Prayers by the Third Elected Member for West Bay.

PRAYERS

Mr. John D. Jefferson, Jr: Let us pray.

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

Bless our Sovereign Lady Queen Elizabeth II, the Queen Mother, Philip Duke of Edinburgh, Charles Prince of Wales, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed. Questions to Honourable Members/Ministers. Question No. 173 is standing in the name of the Third Elected Member for Bodden Town.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

WITHDRAWAL OF QUESTIONS NOS. 173 AND 174

Mr. Roy Bodden: I crave the indulgence of the Chair, and the support of the House to withdraw these questions, that is, 173 and 174, as the Financial Secretary has made some mention of this in his Budget Address, and in all candour, I think that the honourable gentleman may

not be prepared. I really do not want to put him on the spot. In return I ask that he so inform his colleague, the Leader of Government Business that some insight and perception can come from the Opposition seeing that without exchanging any notes we were able to arrive at the need for these kinds of mechanisms.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I am always very grateful when that Honourable Member is so nice to me, sir.

The Speaker: The question is that Questions Nos. 173 and 174 be withdrawn. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it

AGREED. QUESTIONS NOS. 173 AND 174 WITHDRAWN.

The Speaker: Question No. 175 is standing in the name of the Third Elected Member for George Town.

WITHDRAWAL OF QUESTION NO. 175

Mr. Linford A. Pierson: Similarly, Mr. Speaker, this question directed to the Honourable Third Official Member responsible for Finance and Economic Development also seems to fall by the wayside through redundancy as the Honourable Member has already made reference to this in his Budget Address. I would move that this also be withdrawn.

The Speaker: The question is that Question No. 175 be withdrawn. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it

AGREED. QUESTION NO. 175 WITHDRAWN.

The Speaker: Question No. 176 is standing in the name of the Third Elected Member for George Town.

QUESTION NO. 176

No. 176: Mr. Linford A. Pierson asked the Honourable First Official Member responsible for Internal and Exter-

nal Affairs to provide the Mission Statement and the Aims and Objectives of the Government's Reinvention programme.

The Speaker: The Honourable First Official Member responsible for Internal and External Affairs.

Hon. James M. Ryan: Government's Reinvention initiative was started by His Excellency the Governor in July of 1996 when he appointed a two-man team to head the initiative. They were given written terms of reference. The terms of reference are attached to this answer (set out below). The reinvention initiative did not have a formal Mission Statement. The Aims and Objectives are included in the terms of reference.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I wonder if the Honourable Member is able to give an indication as to the completion of Term 1, which states: "To establish an inventory and profile of all Government services to identify the customer base and provide a true cost and income for each service." Can he give a progress report on this job undertaking?

The Speaker: The Honourable First Official Member responsible for Internal and External Affairs.

Hon. James M. Ryan: Most departments have completed this, but for those who may not have, the deadline is the end of this month.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I wonder if the Honourable Member can say if one of the objectives of the re-engineering programme is to cut back on inefficiencies, which would include the trimming back of the staff of the Civil Service where necessary?

The Speaker: The Honourable First Official Member responsible for Internal and External Affairs.

Hon. James M. Ryan: When the Governor announced this initiative, he said to the Civil Service, "I want you to question every service carried out or offered by the Civil Service. Critically question each of these services whether the way the things are being done is necessarily the best most cost-effective way, and whether those services need to be offered at all." Perhaps it would be better to have certain services offered by the private sector.

Yes, it is hoped that as the initiative progresses, as the Service looks at what is done, how it is done, generally taking a critical view, and if it is found that there is

more staff than necessary carrying out certain services, then this will have to be addressed.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I wonder if the Honourable Member is in a position to say what the net benefits derived thus far from the reinvention programme might be, that is, whether there has been a net increase or decrease in the size of the Civil Service since the reinvention programme started.

The Speaker: The Honourable First Official Member responsible for Internal and External Affairs.

Hon. James M. Ryan: I do not know if any department has yet identified areas where there can be a cutback in staff, but I expect that as we go along this is likely to happen. I should say that in one or two departments that have been particularly diligent we are seeing greater efficiencies in the services rendered to the public and we believe that we will see a savings or a reduction in staff in the future.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Member state if the reinvention exercise extends itself to Statutory Authorities also?

The Speaker: The Honourable First Official Member responsible for Internal and External Affairs.

Hon. James M. Ryan: Initially the exercise was aimed directly at central Government, at the Civil Service. But we hope that it will be extended and that the Statutory Authorities will be able to use the ideas and improve efficiency where necessary.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Boddén: Can the Honourable Member say what procedures are being taken in the event of any reduction, to reduce the stress and alleviate the anxiety in any department where personnel may be cut or required to be trimmed?

The Speaker: The Honourable First Official Member responsible for Internal and External Affairs.

Hon. James M. Ryan: As there have been no staff cuts to my knowledge, no remedial action has yet been taken. If and when these cuts are identified, the matter will get careful consideration in an effort to avoid stress and concern to individual civil servants, should it become necessary to make certain posts redundant.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: This question may seem unrelated, but it would strike me that it bears a logical and direct connection to what we are discussing. Does the Government have any service in place to which they can refer civil servants when they are under stress and duress emanating from pressures of work or impending re-trenchment pressures?

The Speaker: The Honourable First Official Member responsible for Internal and External Affairs.

Hon. James M. Ryan: Yes, there is the Employment Assistance Programme that has been available to civil servants for some years now, and they can be referred there in stressful instances; in fact, even in instances where there are personal matters on which they need counselling and assistance.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Member state if it is a fact that the Reinvention exercise is not aimed at trimming the Civil Service, but rather to increase the efficiency of the Service?

The Speaker: The Honourable First Official Member responsible for Internal and External Affairs.

Hon. James M. Ryan: The Member is quite correct. It is not necessarily a staff cutting exercise, it is an exercise geared at efficiency. If, in the process it is found that we can reduce the size of the Civil Service without sacrificing efficiency, then this will be done.

The Speaker: If there are no further supplementaries, question No. 177, standing in the name of the Fourth Elected Member for George Town.

QUESTION NO. 177

No. 177: Dr. Frank McField asked the Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture if she is aware of any major hotel in the Cayman Islands paying gratuities to any manager (i.e. food and beverage, housekeeping or accounting managers) in contravention of the Labour Law, 1987, and, if so, which one(s) and why.

The Speaker: The Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture.

Hon. Julianna O'Connor-Connolly: There are a number of hotels where our enquiries indicate a strong possibility that some management personnel are sharing in the distribution of gratuities, contrary to the present Labour Law. As investigations into these suspected violations are on-

going, I am sure Honourable Members of this House will understand that I am not at liberty to disclose any details or to discuss this matter further at this time.

The Speaker: If there are no further supplementaries, question No. 178, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 178

No. 178: Mr. Roy Bodden asked the Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture to state how "Project Prepare" will enable its participants to better cope with a life outside prison.

The Speaker: The Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture.

Hon. Julianna O'Connor-Connolly: "Project Prepare" is a comprehensive programme that aims to provide structure in the social development of ex-offenders and the unemployed populous. The building blocks for social development in "Project Prepare" are:

- a) Education
- b) Vocational Training
- c) Vocational Counselling
- d) Drug Counselling
- e) Probation Intervention.

These building blocks are the foundation that will enable the ex-offenders and the unemployed to become productive members of the society. While in "Project Prepare" participants must challenge themselves in accepting responsibility for their social change.

The programme offers monetary incentives for participants who have regular attendance and meet academic requirements. The sole focus of this programme as regards ex-offenders is to improve their behaviour and reduce the recidivism rate of our offender population with an outcome of more productive self-supporting citizens in our community.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister say whether this is a mandatory programme, or is it voluntary? Also, can the Minister tell the House how many persons are enrolled in this programme at this time?

The Speaker: The Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture.

Hon. Julianna O'Connor-Connolly: This is a voluntary programme and at present I understand that there are some 17 persons enrolled. Ten of these are ex-offenders

who are now in the assessment stage of their rehabilitation process.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Minister state what, if any, is the private sector's role in this programme?

The Speaker: The Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture.

Hon. Julianna O'Connor-Connolly: It is my understanding that there are a number of private sector personnel who are footing half of the cost by way of salary and Government is supporting the other half.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Minister say whether this involvement extends to the point of any offers of employment for those who successfully complete this programme, even if those offers are on a probationary basis?

The Speaker: The Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture.

Hon. Julianna O'Connor-Connolly: It is my understanding that that is one of the fundamental conditions for such involvement with the private sector and there is at least one I am aware of who is prepared to take some of these. The Community College, although a Government entity, also is helping. We presently have some in their computer programme. The Department of the Environment and Public Works have also been very supportive. So it is a partnership agreement.

The Ministry would be extremely grateful if any Members of this House, be they on the Government side or the Backbench, would assist in creating a more positive partnership between the private sector and Government in this regard.

The Speaker: The First Elected Member for George Town.

Mr. Roy Bodden: Can the Minister tell the House what support these participants will be receiving once they have matriculated from the programme?

The Speaker: The Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture.

Hon. Julianna O'Connor-Connolly: In addition to the financial remuneration they will be receiving free follow-up counselling from Government departments related to that aspect.

The Speaker: The First Elected Member for George Town.

Mr. Roy Bodden: Can the Minister say if, while these enrollees are employed there will be any system where they will be regularly visited by probation officers, or by staff from Project Prepare to ascertain that they are on the right track and remain co-operative, but, above all, to offer them moral support and professional assistance in the challenges they may have in coming back into main stream society?

The Speaker: The Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture.

Hon. Julianna O'Connor-Connolly: Again, it is my understanding that this is being done at present on a weekly basis and is carried out under the direction of Mr. Banks' office.

The Speaker: The First Elected Member for George Town.

Mr. Roy Bodden: Can the Minister state the number of staff members and the ratio of such persons to the numbers of people enrolled in this programme?

The Speaker: The Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture.

Hon. Julianna O'Connor-Connolly: Presently there is one staff member that is fully dedicated to this programme with the understanding that the other ancillary staff in the department will help from time to time. However, I should add that since taking over the Ministry, this matter is one of my priorities and I am looking at the Project Prepare, as well as rehabilitation of prisoners in order to come up with a policy that I feel is in the best interest of the country. I would ask Members for their indulgence to give us some time in that regard.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Could the Honourable Minister state by what means prisoners and ex-prisoners are informed so that they all know the programme exists?

The Speaker: The Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture.

Hon. Julianna O'Connor-Connolly: This relevant information is conveyed through the prison itself and through probation officers.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: In some of the answers to supplementary questions, it is obvious that this programme extends itself to various locations depending upon the needs of the individuals. Can the Honourable Minister

state if there is a base location for the programme, or is it simply based on the needs of the individuals?

The Speaker: The Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture.

Hon. Julianna O'Connor-Connolly: It is my understanding that it is based within the Department of Human Resources. I am not sure if that is the specific answer the Member wanted. If not, if he will so specify I will endeavour to answer.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Yes, Mr. Speaker. That is what I was trying to determine. But also, if it is based in the Department of Human Resources, could the Minister (as a matter of information because some of us do not know how it works) inform us exactly how this programme works within that office and how all the agencies become attached to the various needs that arise?

The Speaker: The Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture.

Hon. Julianna O'Connor-Connolly: I wonder if the Member would accept an undertaking from me to provide that answer in writing as all the information is not at my disposal at the present time?

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I am sure the Honourable Minister knows that she did not have to ask me that, but certainly, there is no problem. Just so that the question will be clearly understood: If the Department of Human Resources is the base for the operation, what I would really like to know is, after the ex-prisoners in the rehabilitation process are exposed to the programme, does the Department of Human Resources take over that individual, or do they work in tandem with probation officers?

The Speaker: The Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture.

Hon. Julianna O'Connor-Connolly: It is my understanding that they work in tandem with the probation officers and Cayman Counselling Centre.

The Speaker: If there are no further supplementaries, that completes Question Time for this morning. The next item is Government Business, Bills, Second Reading. The Continuation of the debate on the Appropriation (1998) Bill, 1997. The Third Elected Member for George Town, continuing.

GOVERNMENT BUSINESS BILLS SECOND READING

THE APPROPRIATION (1998) BILL, 1997

DEBATE ON THE BUDGET ADDRESS DELIVERED BY THE HONOURABLE THIRD OFFICIAL MEMBER RESPONSIBLE FOR FINANCE AND ECONOMIC DEVELOPMENT ON WEDNESDAY, 5TH NOVEMBER, 1997

(10.52 AM)

Mr. Linford A. Pierson: On Monday at the adjournment I was discussing the involvement of the Monetary Authority in the process of the demise of First Cayman Bank; also, by extension, the involvement of the Executive Council.

Before continuing, I wish to clear up one particular point that has been mentioned to me, and I believe it has been talked about generally on the Marl Road. That has to do with the first meeting of the depositors which took place on the court steps. A number of people have questioned why the three Opposition Members, namely the First Elected Member for George Town, the Third Elected Member for Bodden Town and I, did not get involved. There is no big secret to it, it is simply that we were given the assurance, not only by His Excellency the Governor, but by the National Team Government that the matter was being dealt with. By that assurance we felt that urgent action would have been taken. The reason why I am now debating this particular point is that unfortunately, and sadly, no significant action has been taken to date. Because of the assurance the three of us got, we felt that it might have been somewhat premature for us to have judged the motives, or not believed in the assurance given to us.

I have also heard that it was said that we let down certain other individuals who took part in that first meeting. The three members involved (the First Elected Member for George Town, the Third Elected Member for Bodden Town, and I) are intelligent and seasoned politicians. We made the decision that we would not become involved in that first meeting, and we gave it a lot of thought. We realised that this matter would not go away overnight. I speak on behalf of myself, and not necessarily for my colleagues, but I believe they share the same sentiments when I say that we really do not need anybody to dictate to us what course of action we should take. We are intelligent people and we weigh a situation. In that respect we decide when it is right. I feel that at this time it is right for me to speak in this Honourable House on this subject because nothing of significance has been done to date.

On the question of the supervisory aspects of the Monetary Authority, I wish to make it quite clear that I am aware that the present managing director of that Authority, Mr. Neville Grant, only physically took up that position in May of this year. I also understand that he is a gentle-

man who comes to the position with a wealth of experience. I am looking forward to the improvements, through legislation or however else he chooses to make those improvements, being made in due course. It is my understanding that he is part of a committee now that is seeking to improve the operations of the Monetary Authority. I wish to record my appreciation for that gentleman's ability to carry out the job. But I want to underscore that I am aware that he did not come to the job until early this year. My reference was to the red flag that had been raised as far back as 1994, three years ago. The further question I raised at the time was why did the Government not take action before the crisis took place?

Had the depositors not been given the assurance that their deposits were safe, and that they had nothing to worry about, I would not be elaborating on this point. But it was against that background that I said what I said on Monday; and that is, briefly, that the Government is ultimately responsible because these assurances came through the Government.

I am experienced enough to know the process of bank liquidations to know that it would normally run its course without any direct involvement of Government. But this is not a normal liquidation. This is a situation which was known about for quite some years; a situation where depositors were given assurances that they had nothing to worry about, that everything was in order. So, Government has to take some responsibility for giving this assurance.

Another good thing I must credit the Honourable Third Official Member responsible for Finance and Economic Development with is the proposed amendment to the Insurance Law. This is something that has been needed for quite a long time where insured people can now be assured that when the time comes to draw on their insurance benefits that money will be available. It is noteworthy that this long overdue legislation will require a licensed insurer, in respect of domestic business to maintain funds within the Cayman Islands in cash or in short term securities or other realisable investments to match the current liabilities of life insurance companies.

Many of our companies are headquartered in countries where there is much financial turmoil and a lot of fluctuation in currencies and tremendous vagaries in the economy. Because of that I feel it is incumbent upon the Government to ensure that every protection is given to our people who are insured with these companies. They are paying out their hard-earned dollars in premiums. When the time comes for them to get the benefits and protection, I feel that the funds should be available.

I have decided that my debate on the Budget Address will take pretty much the same format as the Honourable Financial Secretary has outlined in his Address. Accordingly, I am pleased to see the appointment of the Honourable Minister of Executive Council from Cayman Brac and Little Cayman who will have responsibility for those islands. I wish to offer Mrs. Julianna O'Connor-Connolly, the Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture, my congratulations on her appointment.

I trust that since the major reasons given for this move is to have someone responsible for Cayman Brac and Little Cayman that we will indeed see significant improvement in the economy of those islands in due course. With that, I hope that we will see employment opportunities for the residents of those islands.

Thus far, only token provisions, or incentives, have been made by the National Team Government under their stewardship towards Cayman Brac and Little Cayman. But I must congratulate the Honourable Minister for Tourism, and I give credit where it is due, for his efforts in trying to revive the economy of Cayman Brac.

This only points out that it is not really necessary to have a Member directly responsible, or a born Cayman Bracker, able to get benefits directed to Cayman Brac. Even in the absence of such a Member directly from Cayman Brac, I am aware that Cayman Brac and Little Cayman received tremendous benefits in past years. I can recall that in the 1988 to 1992 administration, Cayman Brac and Little Cayman may have received more benefits during that period than any other four year period of any other Government administration. No born Cayman Bracer was then responsible. This will only help to prove the point that where there is direct interest in any area of Government administration, benefits will accrue.

Over the past years, in particular since the early 1990s, the world in general has experienced record growth. The Honourable Financial Secretary did a fantastic job in outlining this growth. I rarely like to refer to anything written by economists, even though I have the greatest respect for those present, because I was once told that the best economist is a one-handed economist since they tend to tell you 'on the one hand', this, and 'on the other hand' that. Nevertheless, I do have the greatest respect for one of the world's leading magazines, *The Economist*. I am grateful to the Third Elected Member for Bodden Town who, I continue to say, is one of the best-read people in these islands. He used to put a lot of fear into my heart when I was on the Government Bench whenever he got up to speak. But I am glad I have him as a colleague, so I am not worried about that any more.

This honourable gentleman brought my attention to the cover story on *The Economist* magazine for the period November 15-21. It is captioned "Will the world slump?" I believe I would recommend this to each Member of Executive Council, the policy makers, to have a look at. It is too detailed for me to read the whole article, but with your permission, since it is so relevant to the Budget and the world's economy, I would like to read short excerpts from it.

It says: "**To do justice to the various uncertainties clouding the outlook for the world economy just now, a certain intellectual agility is required. . . . The advanced economies, in other words, could look forward to uninterrupted years of strong growth and low inflation, and the exuberance of equity prices around the world was thereby explained. Then global stock markets tumbled;. . .**" We have seen that in recent weeks, the havoc caused. We saw the situation in Southeast Asia, we saw the Dow Jones Industrial Av-

erage, we saw the situation with the stock exchange in London, Hong Kong, throughout the world we saw them crumbling. Yet, it does not seem to have even had one bit of an effect on our own policy-makers. One would have thought that with this experience in mind we would have seen a more prudent and conservative Budget brought to this Honourable House.

The article goes on under the sub-caption "Double trouble". But of importance, and this is a small excerpt, it states: "**The period of much slower growth that, even on the most cheerful assumptions, must now ensue, . . .**" I hope that these words will be taken seriously because for many years economists and other financial experts have been warning that this growth rate we are now experiencing will soon take a slump. The question is: What has Government done to start preparing for this possibility?

I will be going into more detail on the lack of reserves this Government has put in place. The one point I want to make is that despite the bad Government of the National Team administration, we have been the happy recipients of unprecedented economic growth in these islands. But the public should not be led to believe that the National Team Government had anything to do with this growth, or with the boom that we are now experiencing. We have experienced an economic boom in spite of the crisis management; we have been the proud recipients through external forces. Whenever a situation occurs in the United States of America, we are the happy or sad recipients.

In the period during 1988 to 1992, we were the sad recipients of a recession. There was nothing that we could do to avoid that recession. But the National Team would have the people believe that the boom experienced now is because of policies they have put in place. That is not true. It is in spite of their bad management.

Mr. Roy Bodden: Only \$1 million in reserves. Imagine that!

Mr. Linford A. Pierson: At a time when this country is experiencing an average of 5% growth in our economy—that is above the world average which is something like 3.9%, we are way above—we have only managed to scrape up \$1 million to put in reserve out of almost \$250 million in revenue.

Mr. Roy Bodden: True!

Mr. Linford A. Pierson: What is also sad is that they will tell you that they have a general reserve balance accumulated at the end of this year estimated to be something in the region of \$9 million. Mr. Speaker, that is no funds for a country as wealthy as the Cayman Islands. Nine million dollars is less than the expenditures of this country for two weeks.

That is against the background of a policy that was accepted in this Honourable House in 1991 that Government would undertake that policy. If I am not mistaken, it was under one of the better Chairmen of the Public Accounts Committee, the Third Elected Member for Bodden

Town, that this policy was put in place—that Government would endeavour to maintain a reserve equivalent to three months of recurrent expenditure. Yet, at the end of 1997, after five years of the National Team Government, they have less than two weeks in general reserves, as opposed to the three months they should have. Three months would put us near \$20 million or more.

That is the bad management of the National Team Government. They should be removed! If I felt that I could get a vote of no confidence on them, I would move it tomorrow because of the bad management of the country's funds.

Mr. Roy Bodden: True! Do to them what they tried to do to you in 1990.

Mr. Linford A. Pierson: That three months of expenditure was attained in 1989 during the worse recession this country has seen in decades. Three months is equivalent to 25%, and anyone can check those figures. Whether I am speaking in this Honourable House, or in a public meeting, I do my homework. That is why I was in a position during the 1996 election campaign to challenge the Honourable Minister for Education, Aviation and Planning to a debate on the financial position of Government—because I felt the people were being misled by his statements.

They can get up and say whatever they want. There are some elected Ministers of Executive Council who I must say are doing a good job. . .

Mr. Roy Bodden: But do not call their names now.

Mr. Linford A. Pierson: I cannot call their names now.

Mr. Roy Bodden: Now is not the time for that!

Mr. Linford A. Pierson: Mr. Speaker. I am afraid that they are few and far between.

It might be the view of certain Members that we do not need to save for a rainy day, but because of my discipline, my training, I have always believed that the end purpose of a Budget is to reflect the prudence that is expected from the Governing body. Otherwise, why have a Budget? You just come in and spend as you wish. We can only spend what we can afford to spend, thus the need for a Budget.

I wish to now move to the subject of the domestic economy and to deal with that in a bit more detail. As I mentioned earlier, we have seen the devastating effects of the vagaries in the financial markets world wide. This has been despite the economic fundamentals, depositor fundamentals that have been boasted about by the United States, Hong Kong and some of the other major international markets. Just to clarify what we are talking about, the fundamentals are normally low interest rates, low unemployment, low inflation rates and so on and so forth. I am sure there are a few more.

Despite the fact that they have remained strong in some of the industrialised countries like the United

States, the United Kingdom, the European and Asian countries, we still see the problem of a downturn in the economy looming. Why do we need to prepare or save for that rainy day? What type of risk management is being put in place by this Government? Other governments are considering that. Countries like Bermuda and others, are putting in place risk management.

What type of risk management is being put in place now by these islands? What happens tomorrow if, for whatever reason, there was a downturn in our tourism industry? What happens tomorrow, and God forbid, if there was another major catastrophe within our financial industry? I know that we have been given the assurance by the Honourable Third Official Member responsible for Finance and Economic Development that a deposit insurance will be put in place, or is being considered, and that also protection for the insurers, life insurance and so on. But, that is not enough. If we had a major natural disaster here tomorrow, as experienced recently in Mexico and other places, where are the reserves for us to fall back on? Right now, if we had to fall back on reserves, even under our normal recurrent expenditure, our day-to-day expenditure, we would not be able to continue beyond two weeks.

Is that good enough? For a territory that is regarded as one of the premier financial centres of the world, is that good enough? The problem, Mr. Speaker, is a lack of vision. For the lack of vision the people perish. We heard a lot being said during 1996 about a vision for the 21st Century. The question is: Where is the vision?

As I mentioned earlier, I intend to take a closer look at the financial performance of the National Team Government over the past five years, 1993 to 1998. I have done my homework and I have the facts available.

READING BY THE SPEAKER OF MESSAGES AND ANNOUNCEMENTS

NATIONAL DAY OF PRAYER

The Speaker: Proceedings are suspended until 2.30 as today is the day of prayer and there will be a meeting of the Ministerial Association in this Chamber.

PROCEEDINGS SUSPENDED AT 11.27 AM

PROCEEDINGS RESUMED AT 2.57 PM

The Speaker: Please be seated. Proceedings are resumed. The Third Elected Member for George Town continuing the debate.

Mr. Linford A. Pierson: At the break I had reached a point where I was going to give a breakdown of some of the figures I alluded to earlier in my speech. With your permission, Mr. Speaker, before doing that I wish to congratulate yourself and Madam Clerk for allowing the Cayman Minister's Association to have the prayer meeting here in this Honourable House. I think it was most fitting

that we would take part in this National Day of Prayer and Fasting. It was very touching to hear the Red Bay Children's Choir singing "I'm Thankful to be a Caymanian".

Many times we hear the saying that it is impossible for a politician to be a Christian. I have to take issue with that because I know of a number of very Christian individuals in this Honourable House, including yourself, Mr. Speaker, that lead very Christian lives. Speaking personally, I am glad to say that I too am trying to make that change. Sometimes it is difficult, but with the help of God it is possible.

Since 1993 when the National Team Government came into power, there has been a huge deficit each year after accounting for capital expenditures. During the period 1993 to 1997 the country was able to accumulate some \$58 million to \$60 million of recurrent revenue to be applied to capital expenditure. But during that same period the country spent over \$140 million. That was more than twice the contribution that the country was able to make from recurrent revenue.

Mr. Speaker, this money came from borrowings and also some from reserves. The net result is that at the end of 1998 it is estimated that the public debt of this country will have exceeded \$100 million. That is a major figure, notwithstanding that it may not have reached the 10% of recurrent revenue in the service cost of those loans.

The question lingering today with each one of us is: Where is all this crazy spending taking us? And when is it going to be normalised? The estimate of the total expenditure in the five years of the National Team Government between 1992 to 1997 is almost \$1 billion. This is broken down into \$827 million in recurrent expenditure and \$141 million in capital expenditure, including capital acquisitions and the basic capital expenditure. By any stretch of the imagination, that is an astounding figure to look at—almost \$1 billion in five years.

We have seen a change in the Budget document, and I have to say, as an accountant, that I welcome it because I can see some improvements in it. But it should have been gradually phased in. Not all of us understand it easily, and it is somewhat confusing to some of the Members. I do not think it is good enough to say, if you need a schedule to show the details or to explain it, 'we will provide those schedules.' The document should be made easy for as many as possible.

There is no question at all (and this is still under Domestic Economy) that the Cayman Islands have done very well over the past number of years. As I mentioned earlier in my debate, it has out-paced. . . it is in excess of the average growth world-wide today, which is some 3.9%. We have been able to maintain over the past number of years an average of some 5%. I hope that this Government will not see the debates in this House as just a responsibility of Members to get up and speak, but that they will, indeed, give some thought to some of the good points that are being raised in these debates.

How many countries, how many territories with a population of approximately 36,000 to 37,000 people can boast an annual gross domestic product of some \$1 bil-

lion? How many countries can do that? But what do we have to show for it?

If it had not been such a serious situation I would find it somewhat ludicrous that out of a Budget of almost \$250 million that we have only been able to carry forward a surplus of \$100,000. I am not manufacturing these figures, I refer any Member to table one of the Budgets where it gives the 1998 Budget Highlights. It states that the accumulated balance as at 1st January 1998 was \$900,000. The total receipts for 1998 is \$273 million with total expenditure and contributions of \$274 million, which leaves an accumulated surplus at the end of December 1998 of \$100,000.

That is the position, not including the supplementaries that might have to be accounted for and bringing to date the contingency warrants that have not yet, as far as I am aware, been brought to this Honourable House to be ratified.

What is even worse, is the apparent disregard and contempt that Elected Ministers of Government have for the Report of the Auditor General. Ever since the National Team Government came to power in 1992, from 1993 the Auditor General has been asking them in his report to follow the proper accepted accounting principles for Government. They have disregarded that advice. So much so that in 1995 the Auditor General had to do something no other Auditor General (to my knowledge) had done before, and that was to qualify the accounts of Government. That, in itself, is a major indictment on any good Government.

As I mentioned earlier, in 1991 the Public Accounts Committee recommended that a certain course of action be taken, even as regards the building up of general reserves. That also has been ignored, as I pointed out this morning. The total amount of general reserves in the coffers now is less than the equivalent of two weeks recurrent expenditure. It should now be, after six years, at a level of 25% or three months expenditure. With total recurrent expenditure of \$235 million, three months of that, or a quarter of that, would be showing almost \$59 million. And they are proud to tell me and this country that the total general reserves is eight point something million? when in fact it should be near \$59 million now.

They have a Minister—I refer to him as ‘All things to all men’, all knowledgeable—who has the ability to make figures look however he wants them to. Like the \$6 million profit. . . but I will not go into that this afternoon, the \$60 million profit. I think he knows that was a major mistake and that it misled the public. But if he says anything over there, I will go into the depth of it.

In Monday’s paper it carried an excerpt, quite a detailed summary of that Honourable Minister’s speech. He was very happy to say that they are only borrowing \$19.5 million this year. What he did not say was that that \$19.5 million added to what is here already will take the total public debt to over \$100 million during their period.

Mr. Roy Bodden: That is the same thing they were trying to fault your Government for!

Mr. Linford A. Pierson: He went on to say that out of that \$19.5 million they had repaid \$17.41 [million]. Then, if he only needs \$2 million, why is this bill here before us to borrow \$19.5 [million]? Are we going to get an amendment asking that this bill be reduced to \$2 million?

Mr. Roy Bodden: A Daniel has come to judgement!

Mr. Linford A. Pierson: There is nothing wrong with the Honourable Minister’s intelligence, I worked with him. He is a very bright man. But he can fool some of the people some of the time, but not all of the people all of the time. And people are getting to know him. He knows this is not right and that he should not have put it this way.

He also went on to say that had it not been for the contribution to the pension plan that they would have been able to put \$34 million in general reserves. What he did not say was that that \$34 million is divided between employer and employee contributions. The sin of omission is sometimes worse than the sin of commission.

Mr. Roy Bodden: That is what they are talking about in South Africa now, the sin of omission.

Mr. Linford A. Pierson: That Honourable Minister said that the Budget is well balanced. I can only say, God help us if it was not, because being well balanced in his opinion has this country in a big mess.

Mr. Roy Bodden: Preach, brother, preach.

Mr. Linford A. Pierson: Looking further at table 2A summary of the 1998 Estimates of Revenue and Expenditure, we see where the only way they were able to show an accumulated surplus of \$100,000 out of total recurrent revenue of almost \$250 million was to use some pretty bogus accounting. And I am going to show you, Mr. Speaker.

The brought forward figure from 1997 is shown as \$900,000. Nothing could be further from the truth. Had this Government complied with the Auditor General’s recommendation and report as they should have, they would have adjusted the \$10 million plus that is still on an advance account for overseas medical cases. He has been asking for that to have been done from 1993, and each year it is ignored. The only time that was complied with was in 1992 before the 1988 to 1992 Government was taken out of power. It was when we had \$10 million on reserve and we adjusted that reserve by approximately \$7 million to clear off that advance account. Since then, nothing has been done. I consider it a gross contempt of proper financial procedures as recommended by the Auditor General.

If that \$10 million had been adjusted as it should have been, we would not have been looking at \$900,000 being brought forward on 1st December, but rather, over \$9 million in the deficit. We would not now be looking at \$100,000 surplus at the end of 1998, but over \$9 million deficit. That is what these accounts should be reflecting.

This was what I challenged that Honourable Member to debate during the 1996 election.

Mr. Roy Bodden: Was that when he went into hiding?

Mr. Linford A. Pierson: They have, for whatever reason (you see this in table 2A (i), (ii) and (iii)), where they have shown some kind of fund accounting. They have opened up an Environmental Protection Fund, they have opened up an Infrastructure Development Fund, a Capital Development Fund. Mr. Speaker, from the Environmental Protection Fund and the Infrastructure Development Fund, they have stripped it to spend it on the capital expenditure. One wonders why they did not put those funds directly into revenue rather than trying to confuse the issue.

Another aspect of the Budget that I will show which will support my argument that this is not a good Budget and that it is unattainable is the very development of the revenue side of the Budget. I say this with all respect to the people preparing it. But I regard this as being unrealistic. I would like for anybody, including my good friend the Honourable Third Official Member responsible for Finance and Economic Development to show me how he plans to get \$9 million more out of import duty. I would like to know if during 1997, when they brought all of the revenue measures, the most they could get out of import duties was \$3 million increase from an approved Budget of \$48 million to a revised Budget of \$51 million, where are they going to get an approximately additional \$9 million?

I also want to know, under this same total duty, if the actual for 1996 (which was a good year) was \$100 million, the approved for 1997 was \$113 million, but the revised for 1997 was only \$116 million which accounts for that \$3 million, where will they get the \$132 million estimated for 1998? There was only a \$3 million increase in the revised figure over the approved figure for 1997, yet they presumed to be able to find an additional \$16 million for 1998. That is why I say that this Budget is unrealistic.

Not only have they not adjusted the accounts as they should, not only have they disregarded the pleas—because it has been going on since 1993, so there are no more requests. The poor Auditor General must be on bended knees now begging, 'Please comply with proper accounting principles.' That is what he is saying. But it has been totally ignored.

I feel that the responsibility at some stage is going to have to rest somewhere. Government does not have \$100,000 surplus. That is rubbish! They are more like \$9 million in the hole, if the proper accounting were done. If you apply that \$9 million in the hole to the general reserves of almost \$9 million. . . you tell me. What do they have? It is a broke government.

Mr. Roy Bodden: God bless you.

Mr. Linford A. Pierson: They have \$9 million reserve, but they owe \$9 million. . . that should be adjusted. So, what do they have? It is a broke government.

Mr. Roy Bodden: The chickens have come home to roost.

Mr. Linford A. Pierson: I challenge anybody to refute those figures. I am prepared right now to take my seat and let anybody interrupt me and prove me wrong.

Mr. Roy Bodden: A broke and leaderless Government, and Daniel has come to Government to tell them so.

(pause)

Mr. Linford A. Pierson: Mr. Speaker.

Hon. Truman M. Bodden: The Honourable Member was going to give way.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: What the Honourable Member is trying to prove does not add up. It is a known fact that the surplus this year is about \$14.5 million between the recurrent revenue and the recurrent expenditure. So, to begin with we have \$14.5 million worth of profit.

Paying out of that, that money will go towards paying for capital. Those capital works are matters such as hospital and roads and all of these things. So how the Member gets it to a stage where he comes to the conclusion that nine versus nine is zero, when really we are not dealing with nine versus nine, we are dealing with a surplus of \$14.5 million.

It is like a person who is building a house. You cannot build your house out of the money you make in wages and pay for it all in one year, you pay for it over a period of time. So the projects of Government are paid for on long-term, such as the hospital, the roads, the schools, over a period of time. It is a fact that that we have repaid more over the past four years than we have borrowed.

When you look at the borrowings, this question of \$9 million, you will see that in effect the position is that the repayments made of some \$54 million are more than what we have borrowed over that period. So what has happened, Mr. Speaker, the country is much better off because we own all of these capital assets, including a plane. It is not correct, Mr. Speaker, and the Honourable Member has given way, so he has to be tolerant. . .

Mr. Linford A. Pierson: Mr. Speaker, I would be tolerant but the Honourable Minister is just creating confusion for himself. He is not answering the point that I raised so...

Hon. Truman M. Bodden: Mr. Speaker.

Mr. Linford A. Pierson: Mr. Speaker, I would like to return to my speech.

Hon. Truman M. Bodden: Mr. Speaker, I did not give way. The Honourable Member told me to get up and address it. I have. If he would leave me I would finish.

Mr. Linford A. Pierson: You are taking too long.

Hon. Truman M. Bodden: It goes to show. . .

The Speaker: Would you attempt to be brief?

Hon. Truman M. Bodden: Yes, sir. . . that when you are not genuine sometimes and you throw out this carrot, people sometimes take you up on it. And the position is, that the Government is well off with a well balanced budget of \$14.5 million worth of profit and that is a fact.

Mr. Linford A. Pierson: Mr. Speaker, I am so happy that that Honourable gentleman decided to be a lawyer and not an accountant, because he does not understand accounts. He should stick to what he understands. A little learning is a dangerous thing—one cannot be Jack-of-all-trades and Master of none!

Mr. Roy Bodden: Hear, hear!

Mr. Linford A. Pierson: That Honourable gentleman should stick to what he knows and leave accounting to the accountants.

Mr. Roy Bodden: Hear, hear!

Mr. Linford A. Pierson: He is talking about a profit of \$14.25 million. I wonder if that Honourable gentleman is in a position to even define what a profit should be? I wonder if he understands that a profit is not necessarily a difference between one set of expenditure and another, that it takes into account total expenditures. Whether you are building a house or not.

So that Honourable gentleman should stick to what he understands. An accountant he is not, so he should leave accounting alone. He does not understand it. The time has come when he will not be allowed to get up in this Honourable House and mislead the public. I will see to that.

What he was talking about was an accumulated surplus before contribution of \$14.25 million. But what he did not state was that there were other expenses that reduced that recurrent revenue available for capital expenditure to \$4 million. But on top of that, he is borrowing \$19.5 million from the banks around here, I guess; and \$1.1 million from Caribbean Development Bank to be able to finance almost \$29 million worth of expenditure.

He told the people (and I did not want to touch on this, but since he brought it up I will) in 1996 that this country had recurrent profits of \$60 million. He knows, as well as I do, that that was misleading the public. He knows that. He should not have done that, Mr. Speaker. I expect better from the Honourable gentleman.

What he should have said to the public at the time was that the \$60 million was only a part payment towards the \$140 million in capital expenditure that his Govern-

ment spent. It was no profit. How can you have a profit if you use it up? If he needs a lesson in accounting, I will take him after classes, Mr. Speaker.

Mr. Roy Bodden: Oye, oye, oye! Is he still around?

Mr. Linford A. Pierson: What he did not also say was that there was a total of almost \$60 million in contingency warrants between 1st January to 1st July this very year.

Mr. Roy Bodden: What?

Mr. Linford A. Pierson: Almost \$60 million. Why did he not, as Leader of Government Business, even try to call a Finance Committee, or get the Honourable Third Official Member responsible for Finance and Economic Development, the Honourable Financial Secretary, to do so?

Hon. Truman M. Bodden: Mr. Speaker, the Honourable Member. . .

Mr. Linford A. Pierson: Mr. Speaker, he interrupted me. What point of order?

POINT OF ORDER MISLEADING

Hon. Truman M. Bodden: I have a point of order, Mr. Speaker.

The Speaker: May I hear the point of order?

Hon. Truman M. Bodden: The Honourable Member is misleading this House and the public in saying that I can call a meeting of Finance Committee. Please withdraw it. That is incorrect.

Mr. Linford A. Pierson: What I said, and he was so busy trying to write notes to contradict me that he did not listen. I said that that Honourable Minister should have asked the Honourable Third Official Member responsible for Finance and Economic Development to call a meeting, as leader of Government Business. That is what I said.

Mr. Roy Bodden: True.

Hon. Truman M. Bodden: Mr. Speaker I ask for the minutes on that.

Mr. Linford A. Pierson: Mr. Speaker, is that a point of order?

Hon. Truman M. Bodden: I have a right, Mr. Speaker. We differ on what he has said. If he is withdrawing. . . I have no problem.

Mr. Linford A. Pierson: Mr. Speaker, I am on the floor. If he has a point of order he can interrupt me.

Hon. Truman M. Bodden: I am taking a point of order, Mr. Speaker.

The Speaker: I would have to see the minutes to see what he actually said. We shall suspend for the afternoon break.

PROCEEDINGS SUSPENDED AT 3.35 PM

PROCEEDINGS RESUMED AT 4.02 PM

The Speaker: Please be seated. The excerpts from the Hansard read as follows:

“Mr. Linford A. Pierson: Almost \$60 million. Why did he not, as Leader of Government Business, even try to call a Finance Committee, or get the Honourable Third Official Member responsible for Finance and Economic Development, the Honourable Financial Secretary, to do so?”

Hon. Truman M. Bodden: Mr. Speaker. . .

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Thank you, Mr. Speaker. I do not have the power to call the Finance Committee, and therefore, it misled this House and the public, the Honourable Member, to state that. I do not have that power. So I ask the Honourable Member to withdraw, as is set out at page 381 of *May's*, he withdraw the offensive words.

The Speaker: I would further say that under Standing Order 75(5), it clearly states that the “Financial Secretary may at any time, whether or not there is a meeting of the House in progress, summon a meeting of the Finance Committee at the earliest possible date, or at any other date proposed. The authority is given to the Financial Secretary only.” The Third Elected Member for George Town.

Mr. Linford A. Pierson: Mr. Speaker, I am very happy that that seems to be the only problem the Honourable Minister for Education and Aviation has with what I said. I thought, Mr. Speaker, that the Hansards would show that I quickly went on to say the Third Official Member, but if that Honourable Member, Mr. Speaker, feels any better, then I would like to make it abundantly clear that it was meant for the Third Official Member.

Mr. Speaker . . .

Hon. Truman M. Bodden: Thank you.

The Speaker: Honourable Member, will you withdraw it? You do withdraw the part pertaining to him?

Mr. Linford A. Pierson: Yes, Mr. Speaker.

The Speaker: Please continue.

Mr. Linford A. Pierson: But Mr. Speaker, I wonder if that Honourable Member would be also prepared to get up in this Honourable House and apologise to the public for misleading them, not only in 1996, but more recently, in telling them that the National Team Government had accumulated \$60 million recurrent profit. I wonder if he would be so charitable as to also ask an apology for that for misleading the public! But Mr. Speaker . . .

Hon. Truman M. Bodden: Mr. Speaker, I hate . . .

Mr. Linford A. Pierson: Unless he is rising on a point of order . . .

POINT OF ORDER

Hon. Truman M. Bodden: I am rising on a point of order, and I hate to press this, but Mr. Speaker, that Honourable Member has never said, “I withdraw the abusive words in accordance with *May's*.” When you said, Do you withdraw it, he said yes. But I would ask him to please say that he withdraws those words. I think I am entitled to that, Sir.

Mr. Linford A. Pierson: Mr. Speaker, I think that you asked the question, and I answered you in a positive manner. If that is not clear enough English for that Honourable Member, I do not know what else I can say. I find that it is a waste of time for him to be going on and on about this little point.

The Speaker: The Third Elected Member for George Town, for the benefit of the listening public, would you just audibly say that you withdraw that?

Mr. Linford A. Pierson: Mr. Speaker, even though it is against my better judgement, for the sake of you, Mr. Speaker, because you know I have so much respect for you, I will do that. I will say that I withdraw that. But it is very difficult for me to say it to the Honourable Member, Mr. Speaker. I find it very difficult. But I say it for your sake, Mr. Speaker.

Mr. Speaker, that Honourable Member has a knack of getting up in this Honourable House and saying little things that irk other people, and then saying it is just joke, he is making a joke. If he wants to make jokes, Mr. Speaker, I recommend that he go down to the Coconut Comedy Club. The Legislative Assembly is no place for making such jokes, such serious jokes. Further, Mr. Speaker, that Honourable Member, before I move from this thing, to do with the Finance Committee, that Honourable Member is leader of Government Business. The country knows that. He is also chairman of the Business Committee. The country knows that. And he, as a Minister of Government, has as much interest and should be

as responsible as any other Member of this House, to request that a Finance Committee is called.

I wonder if that Member could say whether he requested the Third Official Member to call Finance Committee. And I understand, Mr. Speaker, that the agenda was prepared almost three months ago. What is there to hide, Mr. Speaker? I wonder if that Honourable Member, since he seemed to be so happy to jump up and contradict me, if he can say that is not true?

Mr. Roy Bodden: Truthfully! If he can truthfully say so.

Mr. Linford A. Pierson: Truthfully say so, Mr. Speaker. Mr. Speaker, what is ridiculous in this House is when Honourable Ministers, especially the Ministers over on the other side, not all of them, but some, attempt to mislead this Honourable House. That is what is ridiculous.

Hon. Truman M. Bodden: Mr. Speaker . . .

Mr. Linford A. Pierson: Mr. Speaker, the Finance Committee . . .

Hon. Truman M. Bodden: Mr. Speaker, on a point of order.

POINT OF ORDER

The Speaker: Let me hear your point of order, please.

Hon. Truman M. Bodden: Mr. Speaker, the Honourable Member has said again — now you just requested him to withdraw something misleading — he has turned around again and made a statement saying that Honourable Ministers on this side are misleading the House. He must, Mr. Speaker, he cannot make a . . . that Honourable Member cannot make a statement alleging that Ministers are misleading, unless he refers to what the misleading is and is specific. He cannot just paint all Ministers with that.

Mr. Linford A. Pierson: I will be happy to do so, Mr. Speaker. I was referring to that same Member, the Honourable Minister for Education, when he stated that this country had, the National Team Government had, over \$60 million in recurrent profits. That is misleading the House! And he should go in the papers and correct it!

Hon. Truman M. Bodden: Mr. Speaker, on a point of order.

POINT OF ORDER

The Speaker: Let us hear your point of order.

Hon. Truman M. Bodden: What was said, I assume, that Honourable Member is referring to a specific statement, and he must show me that statement, produce that statement in due course, and then let me see what he is referring to. It is not good enough to just stand up and make long sweeping statements. But Mr. Speaker, the

Honourable Member has to keep away from words such as 'misleading' which . . .

Mr. Linford A. Pierson: Mr. Speaker, is that gentleman still on a point of order?

Hon. Truman M. Bodden: I am on a point of order, Mr. Speaker, because I have never misled this House, and I never will, I never will, . . . Mr. Speaker, would the Third Elected Member for Bodden Town . . . we have been rumbling for the whole afternoon, just . . .

Mr. Linford A. Pierson: Mr. Speaker, please, make a ruling.

Hon. Truman M. Bodden: No, I am on a point of order. Mr. Speaker, if he makes an allegation, then he has to show the proof of what I said. Then we can decide at that stage . . .

Mr. Linford A. Pierson: Mr. Speaker, documentation abounds! They are all over the place! They were made public, where that Honourable Minister even went on the television and stated that this country—his Government—had \$60 million recurrent profit from 1993 to 1997!

The Speaker: We are supposed to be debating the Budget. We are going back to the 1996 election campaign. Please continue with the debate on the Budget.

Mr. Linford A. Pierson: And I would ask you, Mr. Speaker, to ask that gentleman to show some respect and stop interrupting me. I am looking at the 1998 Budget. I know that he has got to say that what I am saying is giving him hell. But Mr. Speaker, it is the truth, and it only sounds like hell.

Mr. Speaker, this Budget shows — I know it is nothing for you to be proud about, Mr. Minister, but it is your Government — it shows that the accumulated surplus before contribution was \$14.25 million. But after contribution it is \$4 million. And then you show a surplus. In other words, a net profit of \$100,000. And Mr. Speaker, I am saying that that is erroneous. It is not correct.

But I go back, Mr. Speaker, to the Finance Committee. I cannot recall, in my time in this Honourable House, from 1984 to 1988, 1988 to 1992, and now for the past few months, that such a long time elapsed as has elapsed since our last Finance Committee. And Mr. Speaker, I further state that there are a number of contingency warrants and a number of supplementary expenditures that should be brought up to date. They are not reflected in here.

Mr. Speaker, the time has come for reckoning. And the people will know the financial state of this country.

Mr. Roy Bodden: True enough, true enough.

Mr. Linford A. Pierson: Mr. Speaker, in 1992, when the National Team Government came to power, they found a public debt of \$16 million, \$15.9 million to be exact. And

the position, Mr. Speaker, estimated for the end of 1998 will be approximately \$100 million. Is that prudent financial management? The General Reserves, Mr. Speaker, — I see that gentleman walking around, looking for some information — to help him, I have some here, he could borrow.

Mr. Speaker, between 1988 and 1992, the General Reserves of the country were as follows: In 1988, we had \$11 million. In 1989, \$18 million. And it was the first time we came close to having the three months of expenditure reflected in reserves. Because the General Reserves in 1989 stood at \$18.177 million, as against recurrent expenditures of \$75.309 million, approximately 25% or three months.

But even — and that was done, Mr. Speaker, during a major recession. But even in the boom period, the greatest boom this country has seen, has been the recent boom caused by external factors, nothing to do with the National Team. They have — I will tell you what their record was, Mr. Speaker. In 1993, they had \$3.5 million in General Reserves. In 1994, \$3.9 million in Reserves. In 1995, \$4.3 million; 1996, \$7.5 million. And they are hoping that by the end of this year, it will be something like \$8.9 million. They have not reached, Mr. Speaker, even during their boom period, one year, that they have reached the equivalent of what the 1988 to 1992 Government did during the worst recession this country experienced. So what do they have to be proud about?

Mr. Speaker, you also hear mention made of putting money into the Pension Fund, and that is where it went instead of going into General Reserves. Again, Mr. Speaker, the sin of omission! What they did not state was that at the end of December 1991, there was \$3.4 million already in the Pension Fund that was started by the previous Financial Secretary under the 1988-1992 Government, and that they have only built on this in accordance with the Public Service Pension Fund, and in accordance with the Pension Law. They have not done anything of their own accord, or anything that was not done by the previous Government, Mr. Speaker!

Mr. Speaker, I know that the truth hurts. But whatever I am saying here can be backed up by facts. Mr. Speaker, some Members get up in this Honourable House and they talk about keeping debates at a high level. But the Hansards will show, when debates are taken off that high level, who is responsible for it. The Hansards in this House will also show that in my period in this House I have always kept my debates at a high level, because that is the only way I know to go.

Mr. Speaker, I make reference to an article that appeared in the *Caymanian Compass* on Friday the 7th of November, 1997. It was a report made on the Honourable Financial Secretary's speech, the Honourable Third Official Member. It is captioned, "McCarthy upbeat in Budget Address." Mr. Speaker, with all due respect to the Honourable Third Official Member, I really cannot agree that the National Team Budget is anything to feel upbeat about. However, I must say that in the wisdom of the editor of the *Caymanian Compass*, they did in fact throw out a word of warning. In that same paper, the editorial read

as follows, "**A word of caution.**" It stated, Mr. Speaker, and I would like to repeat some of this for the record, "**In his Budget Address, the Financial Secretary, Mr. George McCarthy, presented a [glowing] picture of Cayman's economy. Everywhere he looked things were booming: mutual funds were up, bank licences were up, captive insurance companies were up, company registration was up, tourism was up, banking loans and deposits were up, real estate sales were up, plans for new construction were up, agriculture showed Cayman was self-sufficient in green bananas and mangoes.**"

It went on to say, Mr. Speaker, "**We would not detract from Mr. McCarthy's moment in the spotlight. Careful and prudent management of Cayman's finances over the last five years or so by him and his team has played no small part in this success built as it is to a great extent on investor confidence.**"

"**However, it is germane to ask why, while the good times roll, are we not putting more away against a rainy day?**" A very pertinent question, Mr. Speaker.

Mr. McCarthy announced a \$1 million contribution to the General Reserve Fund. In the past, the goal for this fund has been set at three months. Mr. Speaker, at the end of 1997, as I stated, the National Team Government has accumulated a Reserve of less than two weeks! And from 1991 this has been set for three months.

It states, "**We realise that in a fast-developing country Government is under tremendous pressure to increase services and upgrade the standards of those it already offers. Indeed, such efforts are part of the process of encouraging development. On the other hand, services offered should not get ahead of Government's ability to sustain them.**" I would like to repeat that, Mr. Speaker. "**On the other hand, services offered should not get ahead of Government's ability to sustain them, should the cold wind of recession blow through the world's economy again. It must be hoped too that the National Team remembers what it was that brought it to power in 1992**" That was condemning us of excessive borrowing. Yet, Mr. Speaker, we are seeing unprecedented rates of borrowing since they have come to power!

"**A little borrowed here, and a little borrowed there can be very habit-forming,**" the editorial continues. "**It may not seem much at the time, but it can mount up. Public debt is rising, and rising faster than revenue. Revenue is estimated to be up by 12.8% next year.**" And Mr. Speaker, what is astounding is that public debt, on the other hand, is expected to rise by 21.3%. Revenues increase by 12.8%, but public debt, on the other hand, has increased by 21.3%. Mr. Speaker, the editorial closes by saying, "**No doubt these are figures we can bear in days of boom, but what legacy will they leave for days of recession?**"

This morning, Mr. Speaker, I read from *The Economist*, where some of the leading economists in the world

today are warning us of the looming days ahead of such a possibility for recession.

Mr. Speaker, in this 1998 Budget, we find a lot being asked for in the way of capital expenditure, but the major question raised earlier, Can the recurrent revenue sustain such a heavy load of capital expenditure? Mr. Speaker, by the very fact that we are going outside the normal trend, which in preparing a budget, you extrapolate in accordance with the trends set in past years, and that you do by using a similar average from one year to the next. But when you see a Budget jumping from 3% to a 14% increase, you have to ask the question, Is this a realistic Budget? Is it attainable, Mr. Speaker?

Mr. Speaker, I know that other speakers will get up after me and try to contradict what I have said. But Mr. Speaker, I am assured that my debate is based on facts, and if any speaker can cut away from the normal political rhetoric and contain himself far enough to deal with the Budget as we see it, then they will have no choice but to support my views. Nobody, Mr. Speaker, can get up after me and dispute the fact that the public debt at the end of 1997 is \$82 million, and that by the end of 1998, adding the \$19.5 million — I am not even adding the amount coming from CDB, just the \$19.5 — you will have over \$100 million. If I am wrong, Mr. Speaker, then the figures presented by the Honourable Third Official Member have a problem, because I am taking the figures from the Estimates.

Mr. Speaker, I have a bit more to go, and I notice it is 4.30. I do not know if you . . .

The Speaker: We will adjourn. I will entertain a motion for the adjournment.

ADJOURNMENT

Hon. Truman M. Boddén: Thank you, Mr. Speaker. I move the adjournment of this adjournment of this Honourable House until 10 o'clock tomorrow morning.

The Speaker: The question is that this Honourable House adjourn until 10.00 AM tomorrow. Those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it. The House stands adjourned until 10.00 tomorrow.

AT 4.30 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM THURSDAY, 20TH NOVEMBER, 1997.

**EDITED
FRIDAY
20TH NOVEMBER, 1997
10.07 AM**

The Speaker: Prayers by the Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture.

PRAYERS

Hon. Julianna O'Connor-Connolly: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed. Questions to Honourable Members/Ministers. Deferred question No. 171, standing in the name of the Third Elected Member for George Town.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

DEFERRED QUESTION NO. 171

No. 171: Mr. Linford A. Pierson asked the Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation to provide an up-to-date report on the malaria eradication programme.

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: To eradicate the particular form of malaria exhibited recently by three patients, all of whom resided within a three mile radius in George Town, it is necessary for a co-ordinated approach by both the Public Health Department and the Mosquito Research and Control Unit (MRCU) to take place. A combined approach such as this involves both the treatment of infected persons and the control of the mosquito capable of carrying the parasite that can cause the disease and is designed to break the cycle of transmission of the disease.

The following information relates to the mosquito control aspects of the programme: Immediately upon receiving information as to the occurrence of falciparum malaria, MRCU ceased all non-essential activities and mounted a full-scale response against *Anopheles albimanus*, the mosquito capable of carrying the disease. Specific control measures adopted to date are outlined as follows:

1. Intensified spraying by aircraft and vehicle-mounted units against the adult flying stage of the mosquito, concentrating initially in George Town. The immediate response included daytime fogging, repeated after sunset, as a precautionary measure. The classes of insecticides used are alternated to increase their effectiveness. These control efforts are continuing to date.
2. Targeting resting adult mosquitoes by the application of a residual (long lasting) insecticide to the surfaces of external walls around George Town Hospital and all buildings in selected areas of George Town. This programme has now been completed.
3. Treatment by vehicle-mounted and hand-held equipment of mosquito breeding sites using a variety of larvicides to kill the aquatic larval stages. This programme has been completed for George Town, the area immediately to the north and locations surrounding South Sound swamp and is presently expanding eastwards. Treatment of sites in George Town will be repeated as rainfall patterns and filed information dictate.
4. Field inspection of all potential breeding sites of *Anopheles albimanus* is also expanding eastwards. This involves the collection of larvae and pupae and return of samples to the laboratory for positive identification. Field inspections are on-going at this time and will continue indefinitely.

5. Mapping of information gathered from field inspections is presently being undertaken and enables reliable recording of data. Instructions can then be issued to larviciding crews to target specific locations and to re-treat particular sites at prescribed intervals.
6. Daily monitoring of the numbers of adult *Anopheles albimanus* caught each night in light-traps identifies those areas in need of attention and allows spraying operations to be scheduled the same day. This programme is on-going and is conducted seven days a week.
7. An additional measure is the sending of all collections of *Anopheles albimanus* to the Caribbean Epidemiology Centre (CAREC), Trinidad, for examination for the presence of malaria parasites.

The strategy of the control methods that I have outlined has been to target the adult and larval stages of the mosquito. The successful results of these intensified efforts is witnessed by the very significant reduction of the order of 80 per cent in the numbers of *Anopheles albimanus* now being recorded.

I turn now to the medical aspects of the malaria eradication programme. Every year in the Cayman Islands we have a few imported cases of malaria occurring. In the last ten years, for example, imported cases varied from 2 to 10 per year. For malaria transmission to take place it is necessary to have a patient with the parasite and a mosquito. The mosquito has to bite the affected person and it must then live for 10 to 12 more days before biting another healthy person. Only then can malaria transmission take place. When affected patients are successfully treated, the mosquitoes have no parasites to access. At the same time, existing infected mosquitoes are destroyed by MRCU's mosquito control measures and the combination of both these factors breaks the cycle, thus preventing the establishment of local transmission.

In October of this year, we had three malaria affected patients, none of whom had travelled to a country where malaria is endemic. Investigation suggests that these cases occurred as a result of an imported case, a visitor to the Island in August 1997.

From the medical stand-point, the following action was taken:

- I. The three cases were admitted to the Hospital and successfully treated.
- II. Physicians were alerted to be on the look-out for possible malaria patients.
- III. The general public was informed of the situation, and what precautions to take, at a media conference held on 13th October 1997.
- IV. Home visits were made by Public Health nurses and laboratory staff to about 20 homes near the residences of the affected patients. Control measures were taken and information leaflets distributed. Blood smears for analysis were collected from about 100 residents. No antibodies

against malaria were detected among them, indicating that there has been no local transmission in recent years.

- V. A consultant from CAREC visited the Island at the request of the Medical Officer of Health and confirmed that the necessary steps had been taken by the agencies involved.

No additional cases have been detected, so we are confident that the present outbreak has been contained.

In closing I would like to say that I have been told recently that there was a similar outbreak affecting four patients that occurred in Puerto Rico. Two of the patients actually died because treatment could not be provided for two days. In contrast, we, in Cayman, were ready. I would also like to take this opportunity to thank the two gentlemen behind me, Dr. Petrie and Dr. Kumar, also the Ministry of Agriculture and the Ministry of Tourism as we got together once we found out this was going on and they worked hard on this project.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I wish to thank the Honourable Minister for this very comprehensive answer. The purpose of the question was to get this type of information for the benefit of the public. In paragraph 6 of the answer dealing with the daily monitoring of the adult mosquitoes caught each night in the traps, I wonder if the Honourable Minister can give an indication of the type of numbers we are looking at and the areas concerned?

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: I have been reliably informed that the areas where these mosquitoes actually breed are literally island-wide, and it is in fresh to brackish water. As of yesterday, there were only five mosquitoes identified.

The Speaker: The Elected Member for North Side.

Mrs. Edna M. Moyle: I wonder if the Honourable Minister can say if there are any of these light traps in my district of North Side?

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Yes, Mr. Speaker. There are five located in the district of North Side.

The Speaker: The Elected Member for North Side.

Mrs. Edna M. Moyle: Can the Honourable Minister confirm how recently these traps in the District of North Side have been checked?

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: I am told that they are checked seven days a week, so up until this morning they should have been checked.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Minister tell the House whether the programme mentioned in paragraph 3 of his answer (which states that it has been completed for George Town) is going to be extended to any other jurisdiction, and, if so, when?

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Yes, Mr. Speaker, as indicated further down it is presently expanding eastwards and I have been told that it is now up to Spotts Newlands area.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: I notice from popular literature that malaria seems to be on the rise and there is a world-wide concern. Can the Minister say if we in the Cayman Islands can expect any help from PAHO or the World Health Organisation on our drive to prevent the resurgence of malaria in the Cayman Islands?

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Yes, we do receive assistance from PAHO and also CDC in Atlanta.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: As falls true in other cases I wonder if the Minister could state if the insecticide used in this eradication programme could possibly get to the point where the larvae are resistant to it, and it has to be changed, or is it something consistently used?

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: There is always the threat of resistance, but the approach used by MRCU is to alternate the kinds used.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Minister state how many types are used and at what intervals?

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Mr. Speaker, I am informed that over six different formulations of the insecticide are used over a different period of days.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: The reason for that question is because in the past we have had people complain about the types of insecticides used, especially by the aircraft in regard to crop damage. Can the Minister state if any attention is being paid to assure that none of these types of insecticides are of that nature?

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: I am informed that we only used EPA approved insecticides at the required dosages.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Can the Minister say how the first case of malaria was recognised? What process was involved?

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: When an individual comes to the hospital with some of the indications that may lead to this, the person is tested. The prime area of this is fever and flu-like symptoms. Once this is identified, the blood is tested.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: I would appreciate it is the Minister is in a position to be more specific. My question was to ascertain as to whether the hospital staff was successful in detecting that the person had malaria when the person first visited the hospital?

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Yes, Mr. Speaker.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Minister tell the House what procedures, or preventative measures are in place regarding the visit of aircraft and vessels using the Cayman Is-

lands as a port of call to prevent the possible spread of mosquitoes from these vessels?

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: I am told that we spray all incoming aircraft and boats that come into the island, with the exception of the cruise ships.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I wonder if the Honourable Minister is in a position to say during the clearing of the traps they have come across any of the *Aedes aegypti* Mosquitoes, or are they totally eradicated from the island now?

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: I am informed that we have found no *Aedes aegypti* since November 1996. Hopefully, with the help of God, we have eradicated that now.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Minister say whether there is any travel advisory relating to Caymanians who may visit areas where there have been malaria outbreaks in recent months?

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: One of my notes that I have here says, What has been done to prevent imported cases? Travellers to malarious countries are advised against mosquito bites, leaflets prepared by the Centre for Disease Control in Atlanta are available in the Public Health Department. As we all know there is no vaccine available to prevent malaria. Travellers can take drugs for prevention of malaria. Prescriptions can be obtained from Public Health or any doctor.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Minister say whether this information was disseminated through the media, or whether it is purely on the basis of interested parties picking it up from one of the health centres or the hospital?

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: This was done through the media. It will continue to be done and what we also do is advise the travel agencies in regard to this.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I wonder if the Honourable Minister, since he has the doctors there with him, is in a position to say whether there is any form of preventative medicine which can alleviate or assist with this major problem.

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Mr. Speaker, one of the drugs used is Chlorquine. I am made to understand that within a day or two this can literally instantly stop the transmission of malaria.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Minister say whether the programme he described in paragraph 2 of his answer has been extended to any of the other districts?

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Yes, this will be expanded. One of the interesting things about this mosquito that I am made to understand is that its distance of travel is very limited and it does not go far from where we have originally found the infection.

The Speaker: If there are no further supplementaries, question No. 179 is standing in the name of the Third Elected Member for George Town.

QUESTION NO. 179

No. 179: Mr. Linford A. Pierson asked the Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture to state the Mission Statement and the Aims and Objectives of Cayfest (Cayman Festival of Arts).

The Speaker: The Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture.

Hon. Julianna O'Connor-Connolly: The Mission Statement of Cayfest is "To Provide an Annual Showcase for all Residents who wish to Display their Talent in the Creative Arts". Apart from the obvious entertainment aspects, the aims of the Festival are:

- to foster the enrichment and growth of all our creative people of all ages by arranging for their work to be seen on a national scale and at the district level;

- through this exposure, to encourage more participation in the Arts;
- to develop a sense of worth and pride in both performers and audience; and
- to contribute to the general mandate of the Cayman National Cultural Foundation, as stated in the CNCF Law which is "To develop the Caymanian culture generally".

SUPPLEMENTARIES

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I wish to thank the Honourable Minister for this comprehensive answer, and for her efforts in co-operating with the Backbench in trying to get an idea of what the question is trying to obtain.

I recognise (and I will turn this into a question) that the work of CAYFEST is really progressing nicely. I want to congratulate those people. But, CAYFEST has existed for quite a long time, since 1973. I wonder if the Honourable Minister is in a position to verify that a Mr. Andrew Vessey was the first chairman of the first Cayman Festival of the Arts in 1973?

The Speaker: The Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture.

Hon. Julianna O'Connor-Connolly: I am aware that there was a movement in 1973, but I am informed that the CAYFEST proper as it now stands today, is slightly different. However, I would say from the information which I read leading back to 1973, I would like to thank all of those persons who participated and contributed, but I would also like to emphasise that in the past two years, the efforts seem to have been rekindled. I would like to thank all those involved in that venture as well.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I do not have any further supplementaries, I just wanted to make the point that CAYFEST had been in operation for that number of years.

The Speaker: The First Elected Member for West Bay.

Mr. W. McKeeva Bush : Mr. Speaker, I would like to ask the Honourable Minister responsible for Culture how many programmes, projects. . . or, indeed, what did CAYFEST do from 1973 until two years ago when the Ministry of Community Development and Culture put it forward?

The Speaker: The Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture.

Hon. Julianna O'Connor-Connolly: Mr. Speaker, I wonder if I can give this House an undertaking to provide that

in writing in that I have only familiarised myself for the past two years which would not give a complete comparative answer at this time.

The Speaker: Certainly. If there are no further supplementaries, question No. 180, is standing in the name of the First Elected Member for George Town.

QUESTION NO. 180

No. 180: Mr. D. Kurt Tibbetts asked the Honourable Third Official Member responsible for Finance and Economic Development if the Government is considering any salary increases at present.

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, the answer: A salary study has been conducted by a Civil Service committee. However, this study has not to date been presented to the Governor in Executive Council for consideration.

SUPPLEMENTARIES

The Speaker: Supplementaries? The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Could the Honourable Third Official Member state when this study was completed, and if this study was in line with the thought that has been going on for the past few years within the Service regarding salary adjustments that might be necessary?

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, this study was completed in October. I should point out, Mr. Speaker, that this study has been carried out by a committee that has been formed by the Honourable First Official Member of Executive Council, and the chairperson of that committee is the Deputy Financial Secretary. The committee reports directly to the First Official Member, and I have not been consulted in the process as to the specifics of the terms of reference, and exactly what the results of the study entail at this time.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you very much, Honourable Third Official Member, for heading me off at the pass. Just for purposes of clarity, could the Honourable Third Official Member explain — not getting into terms of reference — just explain the process and how a final decision is made with regard to any adjustments to civil service salaries.

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, as I mentioned to the First Elected Member for George Town, I will not be

able to give him the specifics, but using my judgement on this, a committee has been appointed. Consultation would have taken place with the Public Managers' Association, and also representative of the Civil Service Association. Their views would be embodied in a report. The report would be submitted to the First Official Member for consideration, who in turn would submit his report to His Excellency the Governor. I understand from the First Official Member that this has been done.

The report is presently with His Excellency the Governor. I would take it that further feedback on that once His Excellency the Governor has studied the report, he will then come back to the First Official Member to suggest any changes to be made. At this point in time, the First Official Member could take the decision that the report, with the Governor's approval, should be shared with Executive Council, whereby the input of Executive Council would then be sought.

Once it is dealt with by Executive Council, then before a decision can be taken as to the level of funding, if the report is accepted as presented, then further discussions would have to be held with the broader membership of the Public Managers' Association, and not just their executive committee members, and the same would have to take place with the Civil Service Association, so that there would be consensus across the board.

Once this consensus is achieved, whatever the agreed position as arrived at, would have to be costed. A decision would have to be taken at that point in time, based on the level of costing, or whatever sum has been quantified for salary adjustment, how that funding will be met, and whether it meets with the approval of the Government as a whole.

The Speaker: First Elected Member for George Town.

Mr. D. Kurt Tibbetts: The very last part of his answer to the supplementary question was whether it meets with the approval of the Government as a whole. Could the Honourable Third Official Member expand on that? I am simply trying to get to where the final decision is made.

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I should mention that the answer has been given. The final decision to be taken on this will have to be in the Finance Committee of the Legislative Assembly, but the process leading up to that, in terms of what consensus has been achieved on it, there will have to be agreement on both sides. Because whatever is agreed in Executive Council to be supported on behalf of the Civil Service Association, once that is agreed, the Government will have to take a decision whether they are prepared to support this position in the Finance Committee of the Legislative Assembly.

The Speaker: Any further supplementaries? Question number 181 standing in the name of the First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I might add that it is refreshing to be given straight answers that one can understand when questions are asked.

QUESTION NO. 181

No. 181: Mr. D. Kurt Tibbetts asked the Honourable Third Official Member if the proposed Medium Term Financial Strategy and Public Sector Investment Programme will be tabled during the Budget meeting.

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, the answer: As promised during the August meeting of this year, the Medium Term Financial Strategy and the Public Sector Investment Programme will be tabled during this meeting of the Legislative Assembly.

SUPPLEMENTARY

The Speaker: The First Elected Member for George Town, a supplementary.

Mr. D. Kurt Tibbetts: Can the Honourable Member state if, as is customary for such important documents, in tabling the document there will be any discussions in the Legislative Assembly regarding the document itself?

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, when the document is presented, there will be an overall report given by myself in terms of setting out, giving a summary of what the document entails. It is a question for the Legislative Assembly to decide as to whether the report will be debated. But there would be no objections to that, Mr. Speaker, as far as I can determine at this time. I have not consulted with Executive Council on this, but in terms of agreeing the procedure, first of all, the document is being tabled in the House for the benefit of providing information to Government. . . and I have just been reminded by the Deputy Director of Economics and Statistics, that the document is being done in two parts. The first part, the Medium Term Financial Strategy, is the document that will be presented to the Legislative Assembly. This is what is presently being worked on. The Public Sector Investment Programme will follow at a later meeting.

The Speaker: Any further supplementaries? If there are no further supplementaries, that concludes Question Time for this morning. Item Number 3, Other Business: Private Members' Motions. It is my understanding that the Mover has agreed to suspend Standing Order 14(3) in order that Government Business can take precedence over Private Members' Motions. I would entertain a motion for the suspension of Standing Order 14(3).

SUSPENSION OF STANDING ORDER 14(3)

Hon. Truman M. Boddin: Mr. Speaker, as the Honourable Mover is not here, I would make that motion on his behalf, and I would move that the Standing Order be suspended, Sir, so that the debate on the Budget can go on, Sir, be suspended until after the debate on the Budget, or next Thursday, whichever first comes.

The Speaker: The question is that suspension of Standing Order 14(3) the Government Business can take precedent over Private Member's Motion. Those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it.

AGREED: STANDING ORDER 14(3) SUSPENDED TO ENABLE GOVERNMENT BUSINESS TO TAKE PRECEDENCE OVER OTHER BUSINESS

The Speaker: Item number 4, Government Business: Bills, Second Reading, Continuation of the Debate on the Appropriation (1998) Bill 1997. The Third Elected Member for George Town continuing.

GOVERNMENT BUSINESS

BILLS

SECOND READING

THE APPROPRIATION (1998) BILL, 1997

DEBATE ON THE BUDGET ADDRESS DELIVERED BY THE HONOURABLE THIRD OFFICIAL MEMBER RESPONSIBLE FOR FINANCE AND ECONOMIC DEVELOPMENT ON WEDNESDAY, 5TH NOVEMBER, 1997

(Continuation of debate thereon)

(10.48 AM)

Mr. Linford A. Pierson: Thank you, Mr. Speaker. Mr. Speaker, during my contribution to the Budget debate thus far, I have endeavoured to comply with the financial procedures with regard to the Second Reading of the Appropriation Bill. Mr. Speaker, Standing Order 63(2) states, and I quote, "**On the motion for the Second Reading of an Appropriation Bill, debate shall be confined to the financial and economic state of the Islands and the general principles of Government policy and administration. . . .**" This is as indicated by the Bill and the Estimates.

Mr. Speaker, this Standing Order 63(2) is quite wide and offers any Member of this Honourable House debating the Budget the latitude to not only debate the financial and economic principles relative to the Budget, but also to deal with appropriations on a departmental basis. Mr. Speaker, with the exception of the Monetary Authority, I have there-

fore deliberately steered away from debating any matters relating to individual portfolios, departments or statutory authorities, as I feel, Mr. Speaker, that such debate should be confined to the Finance Committee.

Mr. Speaker, as regards the Loan (Capital Projects 1998) Bill, 1997, I have taken a similar approach, as that Bill, which provides authority for the Governor-in Council to borrow up to \$19.5 million to pay for the 1998 capital projects, can rightly be debated separately on the Second Reading debate. And Mr. Speaker, I shall look forward to debating the merits and/or demerits of this Bill in due course.

It is most important that it is understood that it is appropriate for any Member debating the Budget to make reference to any financial or economic document which has been laid on the table of this Honourable House, however long ago. This authority is provided under Standing Order 63(2), which I read a few minutes ago. Debate should in fact ". . . **be confined to the financial and economic state of the Islands and the general principles of Government policy and administration. . . .**" It is therefore, Mr. Speaker, with this knowledge and authority, and against this background, that I now make reference to the 1995 Auditor General's report, to verify some of the statements made thus far in my debate, as I have already done with respect to the 1992 Auditor General's report. That was done in order to confirm the financial state, the accurate financial state of these Islands.

The 1992 Auditor General's report provides a summary in Table 1 of the Revenues and Expenditures, as well as the Surplus and Deficit Accounts, and also the General Reserves for each year from 1988 to 1992. As stated, the only year where these Islands have been able to put aside sufficient funds, as recommended by the Public Accounts Committee, the equivalent of three months' recurrent expenditure, was during 1989. This has not been done since to my knowledge, Mr. Speaker.

The Auditor General's report in any year is an authentic and correct financial position of these Islands over previous years. The Auditor General is the authority on the financial position of these Islands at any given period of time. He is the only authority who can legally provide a report on the financial statements and conditions of the Government of the Cayman Islands and have that dealt with by the Public Accounts Committee, and laid on the Table of this Honourable House. It is again, Mr. Speaker, against this background, and armed with this knowledge, that I have stated in this Honourable House, that figures quoted by me during my debate of this Budget are indeed factual. They have in the main been taken from the Auditor General's report, as well as from other financial and/or economic documents laid on the Table of this House and thus made public documents.

During my debate thus far, I made reference to the current 1998 Budget as being unrealistic, and also incorrectly stated. But before taking my seat I wish to verify what I said regarding the 1998 Budget being unrealistic and incorrectly stated, and I wish to do this, Mr. Speaker, against the Auditor General's report.

Mr. Speaker, as the 1996 Auditor General's report has not yet been tabled in this Honourable House and is still regarded to have been distributed to Members on a confidential basis, I am unable to make reference to that document at this time. Standing Order 73(3) refers.

So Mr. Speaker, the latest available document to me, authentic record of Government finances, would be the Auditor General's report for 1995. I stated in my debate that the Budget does not present the correct financial picture, in that the "Brought Forward Balance" at the beginning of 1998 is incorrectly stated. I will certainly hope that someone speaking after me will be able to clear up this very serious point.

I also stated, Mr. Speaker, that at least \$10 million in respect of outstanding overseas medical expenses has been incorrectly stated in the Government accounts. The most recent information provided to this House, Mr. Speaker, by the Honourable Financial Secretary, the Honourable Third Official Member, verifies that the figure is now approximately \$10 million.

I want to make it quite clear that I have no problem with the service being provided to our people in respect of overseas medical services. I think this is necessary. I also know that some of our people are unable to pay, and that many of them may be pensioners, etc. So my query is not with the service being rendered. I think in all cases this is perhaps necessary. My query is regarding the incorrect accounting principles that have been applied to these expenses.

As I will shortly point out, the Auditor General of these Islands is also very concerned. Because of this distortion in the Government accounts, the whole Budget is similarly distorted. I now wish to read the Auditor General's opinion as stated by the Auditor General in his report on the 1995 accounts. As stated earlier, I am not allowed to quote from the 1996 accounts report, which is the most recent report from the Auditor General, because that has not yet been tabled in this Honourable House.

But I have no doubt, Mr. Speaker, when we see that report, that the situation would not have improved over 1995. My reason is to confirm the correctness of the statements which I have made in this Honourable House regarding the 1998 Budget, when I said that the Budget is distorted and does not reflect the correct position of these Islands and of their accounts. This is in view of the incorrect accounting principles that have been used, that have been employed in the Surplus and Deficit accounts, which have been incorrectly adjusted on the Advance Account. I will go into that in a little bit more detail.

This is reflected in what the Auditor General had to say in his report on the 1995 accounts. He stated, under his audit opinion, and I quote, "**As more fully described in paragraph 1.20 to 1.22, I have qualified my audit opinion on the 1995 annual financial statements because I consider the accounting policy for overseas medical advances is inappropriate.**" This document has already been laid on the Table of this Honourable House, and anybody can have a copy of it.

It further states, Mr. Speaker, "**Overseas medical expenditure is not being brought to account at the date**

of payment but is classified as a recoverable advance and is shown as an asset in the annual Statement of Assets and Liabilities. Amounts accumulated in the advance account are brought to account periodically, usually accompanied by conversion of individual debts to long term loans." What he goes on to say is very important, Mr. Speaker, "**The effect of this accounting policy, which has been followed for many years, is to defer recognition of expenditure to future periods.**" He further says, Mr. Speaker, "**I drew attention to this situation in both my 1993 and 1994 Reports, and warned that the annual financial statements were being distorted by late and inconsistent accounting treatment.**"

So when I say that these accounts are distorted, I am using the exact words that have been used by the Auditor General of the Cayman Islands. He stated, Mr. Speaker, and I quote, "**I did not qualify my audit opinion in either 1993 or 1994 because the amounts involved were within acceptable materiality limits. As at the 31st December 1995, accumulated overseas medical expenses charged to advances stood at \$7.7 million.**" He says, "**In my opinion at least \$4 million [\$4,005,188] relating to 177 completed cases should have been classified as expenditure between 1993 and 1995.**"

He also says, "**In my opinion the accumulated deficit is understated.**" The accumulated deficit is the surplus and deficit account, Mr. Speaker, that I have been speaking about. The Auditor General has said, "**In my opinion the accumulated deficit is understated.**" I would invite anyone to go back, as I referred to yesterday, to 1992, when during that year, the 1988 to 1992 Government adjusted over \$6 million to clear off the overseas medical expenses and to ensure that the accounts were properly dealt with. But since 1993, Mr. Speaker, nothing has been done by the present Government, the present National Team Government, to correct this situation.

As an auditor, as a qualified accountant, I can tell you that when an auditor qualifies his audit opinion, that is one of the greatest indictments an auditor can put on any financial statement.

Mr. Roy Boddén: True, true. In the private sector that causes managers to be fired.

Mr. Linford A. Pierson: Mr. Speaker, the reason for reading that was to make it quite clear that the statements, the figures I have given in this Honourable House, since I started my debate, have been factual. They are based on the audited accounts of these Islands. This anomaly and distortion of the accounts should be corrected forthwith. If this were corrected, as I said yesterday, we would not be showing a balanced budget with \$100,000 surplus. If it were properly corrected, we would be showing a negative figure of over \$9 million in the red.

Until this correction is made, the 1998 Budget and all future budgets will continue to be incorrectly stated. This correction must be made forthwith. This is not a situation we can play around with. We are looking at the future of our people. I want to underscore the fact that we — I want

to make this quite clear — are not looking at a balanced Budget, as has been said by at least one previous speaker. But we are realistically looking at a loss, a deficit position.

I further want to underscore, Mr. Speaker, that with a \$9 million deficit, which the position is if it is properly adjusted in accordance with the Auditor General's rulings, the country is technically broke, because the country has only \$8.9 million estimated at the end of this year, and would not be able to even cover that amount of money.

In addition, Mr. Speaker, that \$8.9 million, if it was even available, could only take care of the recurrent expenses of this country for less than two weeks.

Another matter of grave concern to me is the use or perhaps misuse, but I would say the use of contingency warrants. Contingency warrants should be used only in circumstances where the Financial Secretary is satisfied that due to exceptional circumstances an urgent need has arisen. But it appears that many of these contingency warrants issued do not arise as a result of exceptional circumstances. Many of the contingency warrants, Mr. Speaker, are really, truly and genuinely, requests for supplementary funds. It would therefore seem, Mr. Speaker, that the use of contingency warrants is not being properly handled.

In 1995 there were a total of 96 contingency warrants issued at a total cost of almost \$8 million — \$7.9 million to be exact. In 1996 there were 125 contingency warrants issued, totalling \$10.6 million.

Mr. Roy Bodden: Bad management!

Mr. Linford A. Pierson: And in answer to a Parliamentary question earlier this year, the Honourable Financial Secretary, the Honourable Third Official Member, advised this House that between January this year to the 31st of July this year, 165 contingency warrants had been issued to the value of \$59 million. Of this \$59 million, \$6 million was in respect of unbudgeted recurrent and capital expenditure. Mr. Speaker, \$6 million was in respect of unbudgeted recurrent and capital expenditure! And the Government would have the people believe that this is a good and prudent Government?

As contingency warrants should be used only for exceptional circumstances, where an urgent need has arisen, they should be brought to this House within at least three months and subsumed by the accounts respectively provided in the Appropriation Law.

In addition to these contingency warrants requiring ratification and approval, there is a list of long outstanding supplementary appropriations that should have been approved in this Honourable House long ago. But Mr. Speaker, for whatever reason, no meeting of Finance Committee has been called this year to have these unapproved expenditures dealt with.

As I said yesterday, Mr. Speaker, this is the first time (to my knowledge) that such a long period has elapsed without a Finance Committee being called. I make the point now that I do not hold the Honourable Financial Secretary directly responsible for the delay in this, because it is my understanding that he had an agenda prepared quite some

time ago. Previous Government administrations have called meetings of the Finance Committee on a regular basis, in keeping with the Public Finance and Audit Law. The question is, Mr. Speaker, why has this procedure been discontinued? Why has no meeting of the Finance Committee been called this year?

This is another example of a departure from proper procedures that were complied with in the past, under past administrations. I know this particular subject of the lack and delay in calling a Finance Committee has touched sensitive nerves in this House, so I will say no more on that subject. But I know that the public are very dissatisfied that right now we are not even sure whether all expenditures that should have been brought within the Budget are being accounted for because of the lack of calling the Finance Committee to deal not only with supplementary expenditures, but with contingency warrants as well.

This non-compliance with established laws, rules and regulations regarding contingency warrants and supplementary expenditures is most unsatisfactory. In my contribution to this 1998 Budget debate, I have attempted to deal as thoroughly with the correctness or lack thereof of the Budget as I possibly could. I have dealt in some detail with the points raised by the Honourable Financial Secretary in his Budget Address. Though I did encounter some amount of what I feel were unwarranted interruptions, I am gracious enough and experienced enough to know that this is a part of the normal workings of most Parliaments.

I have pointed out that not only is the Budget not properly balanced, but that the growth in public debt is frightening. It is outpacing the growth in our revenue position. I showed where the public debt had increased by some 21% as compared with an increase in revenue of 13%. This is not a good state of affairs, especially in a country, in Islands, with no risk management, and less than two weeks' expenditure provided under our General Reserves. This is a serious situation for any country to be in. This should not happen, especially during a time like this, when these Islands are experiencing one of the highest growth rates in our economy in our history.

As I mentioned earlier, we are experiencing a 5% growth rate when the world as a whole is experiencing less than 4%, 3.9% to be exact. With a gross domestic product of some \$1 billion in this country, one would have expected to have found a healthier position in our coffers. I feel that I have demonstrated beyond any doubt the serious situation of the finances of these Islands. I am not afraid of anyone coming after me to try and disprove anything I have said, as my debate has been factual and of a high standard.

But as I mentioned to this Honourable House in my opening, the delay you saw in trying to get somebody to speak before I did, I do not think you will have to worry about that when I sit.

All in all, I believe that I have covered the Budget fairly thoroughly. It was Lord Mancroft who said, "A speech is like a love affair. Any fool can start one, but to end it requires considerable skill." Thank you, Mr. Speaker.

The Speaker: This is a convenient time for us to take the morning break. We shall suspend for fifteen minutes.

PROCEEDINGS SUSPENDED AT 11.24 AM

PROCEEDINGS RESUMED AT 12 NOON

The Speaker: Please be seated. Proceedings are resumed. Continuation of debate on the Appropriation Bill. Does any other Member wish to speak? The First Elected Member for West Bay.

Mr. W. McKeeva Bush : Mr. Speaker, and Honourable Members, I intend to be as brief as possible in my remarks on the Budget Estimates before us. While I intend to say quite a bit about my tenure in Executive Council in the Throne Speech debate, God willing, I want to at this time thank my faithful staff for their dedication and the hard work in the Ministry. A better group of people you cannot find. In spite of having a large workload, they always found time to look at the needs of all who came to the Ministry. They genuinely cared for people. They are not just good, loyal civil servants, but good people. I have the greatest amount of respect for them because I know the kind of effort they have put in, and I take my hat off to them.

I want to also say a word of thanks to all those civil servants who assisted me in my time, but as I said, I intend, God willing, to — while I believe I have the space, the latitude, to say much more in the Throne Speech debate.

But I also wish to thank my faithful constituents, supporters and friends throughout the Islands for standing by me and being a friend and a source of strength. I do not profess to be the best Christian. I wish I could, but I am not a hypocrite. Throughout my life I have always depended on and recognised the awesome power of a superior being. The Heavenly Father has always taken care of me in whatever situation I have found myself from the time I was a child without a father at home. There is a contemporary chorus which we sing in church. It says, "Our God is an awesome God; he reigns in heaven on high with wisdom, power and love. Our God is an awesome God." It is He that I lean on and put my trust in to clear the air in times like these.

The Cayman Islands have a tremendous amount to be thankful for. When we consider the plight of some of our neighbours, and when we look at the world in general, we do have a lot to be thankful for. When we look at situations like Montserrat, surely in spite of our differences and the problems each one of us has, and the cares and concerns that confront us, we can realise just how much Divine Providence has been taking care of us, and we must be thankful for it.

Mr. Speaker, as a depositor at First Cayman Bank, I sympathise with the other depositors at this time. Hopefully there will be some solution to the problem in the not too distant future.

There has been quite a bit said about the Budget in very eloquent terms from this side of the House, and I do not have to traverse the same ground. However, from what I see, there is a healthy revenue income. The inflows to General Revenue, that is Recurrent Revenue, is \$248,150,000. That is a healthy estimate. I wish to tie that

to the revenue measures put in place earlier this year. We must remember that fears about the measures stifling development have not materialised. There is no slowdown, as has been acknowledged from Members on this side of the House. The boom is sustained. Yet, to raise that kind of revenue and still have to borrow \$19.5 million, simply means that we are not prioritising our projects, and the resulting expenditure is the evidence.

We know one thing about the future: globalisation will mean more intense competition. To stay ahead, the Cayman Islands will have to sharpen our competitiveness. The information technology revolution experienced around the world today will speed up the process of change itself, and it is most obvious we must keep on learning, and be quick to adapt to changes.

Twenty years ago, we had no idea that information technology would so change the way we live. Given that changes will be even more rapid and drastic in the future, what kind of world, what kind of country will we live in in ten to twenty years' time? How do we prepare this country for this unknown future? I do believe that it is our duty, as far as we can, to somehow help our people to understand the nature of what we are facing and what is before them. I believe that Members of this House are well-equipped to do that, on both sides of the House. When we do that, our people must have a goal, a goal to chase and a vision to carry this country forward.

We face a dual challenge, Mr. Speaker, in economics and social development. Programmes for a country usually need four to five years to materialise. Going for short-term benefits and missing long-term, bigger benefits will cause us to lose our strategic way. We need to look soberly into the future, weigh the strategic choices, and make the right strategic decisions. As I said earlier, this House will lead the Cayman Islands into the next millennium. It should be a future-oriented House, one with ideas, and one which will deliver. This shall be my work on this back bench in this Honourable House over the next three years, God willing.

As I said, we face a dual challenge. First is the economic challenge to maintain growth, maintain good jobs, and attract investments. We must do this to survive as a country. We live in an increasingly integrated and competitive world. We cannot foster the thought that we can be indifferent to everything or everyone around us. We must, to do well, motivate and reward risk-takers and entrepreneurs, the skilled and the more able. We must be user-friendly. We must be investor-friendly. To think that we can do without investors is to say we are prepared to allow our country to die! And this is exactly what would happen to us without continued input of foreign investment. We would die.

The mobility of investments across international borders can mean quick change in our socio-economic structure. And while we are in a boom period today, it can also turn the other way quickly, and we all know that in times of recession, where we have high unemployment, it would cause insecurity and much social turbulence.

We have good examples of this from countries around us where job insecurity and loss of confidence are straining their social fabric. When the question is asked, who are we

developing for? My answer today (and always has been and will be) is: We are developing for our people. We cannot afford to chase away foreign investment because of an indifferent and selfish attitude.

As is evident by the large amount of gainful occupation licences, work permits, caused by a booming economy and a small population, we for many years will have to depend on outside labour in all sectors of our Island's economy. So too, will we always have the need for the foreign investor and their capital. It is no time to be chasing away or being unfriendly. We all must think, those of us who can, of the positives rather than the negatives.

No one wants to pay taxes or more taxes of any kind. No one wants to see increases. We have always said and maintained in recent times that there are not many areas left for us to increase. We also have to be very, very careful in trying to borrow more funds. The way we know best is to allow continued development. This has to be a balanced growth between our infrastructure and the construction in our economy. In looking at development and what we gain from it in terms of revenue, in our current situation we need to make it palatable for the foreign investor, as well as our own people, for instance, who rent residential or commercial space, or purchase their homes in our Islands.

The plan put forward by the Minister for Planning contains some positive changes, and I want to thank the Minister of Planning and those involved in it. It is that Plan, those kinds of plans, that will enable the country to move forward if applied correctly. Over the last decade, we have witnessed a significant rise in the cost of land. In both the hotel tourism and commercial sectors we have seen increases to the initial cost of the product, while there has been no addition to the quantity of storeys and the height of a building that can be constructed. Hence we have seen, for instance, a sharp increase in annual rent for both commercial and residential buildings. This increases the pressure on our young entrepreneurs who seek to start their own small business, and other people who are renting in our society.

Another hindrance to the investor, is that the cost of developing a condo or an apartment has risen due to the limitations, the number of apartments allocated to the size of a property. It certainly makes sense to increase the number of storeys of a building in any zone. I have had a little bit of feedback on the negative side about it, but I think it makes sense to increase the number of storeys of a building.

For instance, on the Seven Mile Beach corridor, the Plan says five storeys. I believe that we could go as high as seven storeys for a commercial building in George Town and other areas, and four storeys for residential apartments.

Over the course of the next year I believe that we shall experience some increase in the cost of construction. Several economic indicators acknowledge this upcoming trend. We have the badly needed implementation of the Pensions Law, and Health Insurance, which I have acknowledged will add to the budget of contractors. So it will affect the cost of their finished product. However, on the

very positive side, the investor will be able to build more and hence increase the return on his investment.

The Government will derive financial benefits from this increase in building heights throughout the islands. Planning and infrastructure fees will be greater as the number of units increase. More materials imported means more duty, and stamp duty will increase as the number of apartments and condos are sold. So, in doing this we are being what I call investor friendly. It is going a long way in making him feel well received in our islands, most of all, it allows him to increase his net return on his capital investment. I believe that in doing this we can also maintain a competitive edge on our neighbouring islands and other international off shore financial centres.

Our second challenge is to maintain and improve the islands social behaviour, nurture our young, care for our aged and build better family ties. I could debate this aspect all day, perhaps even a week, but my intention is to be very brief on this Budget examination. However, I must look at a few areas in the Budget.

Close to the heart of our policy was to take good care of our old people, the elderly and the handicapped, those old people who built this country and made it what it is today; those who worked for nothing and today need Government assistance because they have no pension to lean upon. Before I left the Budget scene, there was a request to add \$50 on the financial grant to our elderly. From what I can see, after I left the Budget preparation process, there seems to have been some rearranging of amounts originally put in place for certain programmes and projects, and also changes in priorities.

It was our stated intention in our campaign, in fact today, being one year ago, that we would bring the amount given to our elderly up to some \$400. We also said that we would make a law to ensure that this happens, and that was given as a grant. I always thought that I had full agreement to do this. But there is, from what I can see, information I have received, a small increase of \$100,000 perhaps. I do not know, perhaps when we get into Finance Committee we will be able to better tell what the position is.

You know, there are really no good reasons why in a Budget of over \$248 million of revenue, and over \$203 million of recurrent expenditure that increase would not be able to be put forward in 1998; especially where we have a surplus on the recurrent side of some \$14 million which is, of course, going toward capital projects. We all understand that there are budgeting constraints and a worry over the economics. But, this is not some senseless or meaningless part of the Budget like building a boat ramp. This is our elderly and we must temper building parks, boat ramps or castles—material things, let us say—with compassion and responsibility to our ageing population who today do not have the earning power. Just a few months ago, we all said that we would continue our policy. I make that call again, and ask that I get some sort of response.

It is not difficult. Perhaps I do not have to remind all that it is not enough just to have handsome buildings, whether two storeys or five or seven storeys, it is not enough just to have a million tourists come to visit us, because that is where we get our money from, some of it; it is

not enough to have a world class financial centre. We must be gracious, we must be caring, we must be considerate as we enter the next millennium. We have an ageing population that does not have pensions and we must continue to take care of them. We must do that.

Before I left Executive Council, there was an agreement that those who were elderly being given financial assistance would be given a card which authorises their free medical. The Minister now responsible for the Social Services Department, who actually took an interest in the matter with me, has assured me that this project will be completed. I am sure that I can depend upon him for that. We must make sure that the handicapped and elderly are given this kind of support.

I do not need to say what the country was like when the foundations were being laid. I do not need to say that there were hordes of mosquitoes here. I do not need to say that there were some who went to the Mosquito Quay Banks to fish, even in war time to help sustain the country. I think that all of us know that. Most of the time I speak with passion on this subject, but it was never done before. I trust that we will continue it and make the increase because for one, it is Government's statistics that say it takes somewhere in the \$1100 bracket to maintain a small family, I think of two people. The only sustenance, the only income some of these people have—the vast majority of them—is that \$200.

I see my friends the statisticians smiling. Those figures were from some time ago. I do not know how they have changed, but, certainly, the cost of living is not static. It is going up. There have also been cuts in sports. I expected that there would be cuts in capital expenditure. However, let me say that there was only just over \$300,000 in expenditure for capital in 1996 from the Ministry of Sports. In fact, in the Ministry of Community Development, the money was not spent.

There is still much work to be done. Much has been said in the past about the expenditure on sports, but even though no one can deny, or dispute the local and international advancements made, because of the phased process used over the five year period that I was in Executive Council, at no time was there crippling expenditure on sports to any one budget. At no time.

The whole Cayman Islands rejoiced with Jamaica on their win. I too congratulate, and I too hail Jamaica. However, this is not just a Jamaican win. It is also a Caribbean win. I think someone said that already. What is very pertinent here is that three years ago Cayman beat Jamaica. Now the question has been posed: Where goeth Cayman's football future? I believe that Jamaica's triumph must be the catalyst, the inspiration for those involved in football here to take a long look and a serious examination of what we are about.

In 1994 Cayman beat Jamaica, and knocked them out of the Shell Cup competition. Today, they have qualified for World Cup finals in France. That is a serious turn around. They went back and examined themselves; took a long look and made changes. It showed, as my good friend is reminding me, the discipline. I believe that since we produced Whittaker, Kareem Streete, Mothersil, and others

(but they in particular are recognised in the world). Cayman has facilities comparable to most places in the world. Programmes are also in place. Now proper management and private sector support with Government and visionary planning can take us into the 21st Century. We hail Jamaica. One day I have a hope for Cayman to achieve the same dream.

Speaking on Culture, I said in my acceptance speech on 27th November that we would make the necessary changes as a priority as part of our policy so that our culture is not overshadowed by any other, so that our people are more aware of it. I believe strongly that this needs to be done because of the impacts upon us.

Some years ago, when visiting Trinidad right after Carifesta, my then Permanent Secretary (Mr. Leonard Dilbert) and I had a look at what they were doing in the communities in Trinidad. One of the things was the way they organised Carifesta, the way the young people were involved in wholesome, educational and cultural activities. On the way back I wrote the ideas for Cayfest.

The Cultural Foundation had plans to do some sort of festival. But I wanted mine to be very young-people oriented. We married the two ideas together and thus Cayfest was born. Of course, we did not have the name, that was by competition. Now with two years under its belt, Cayfest is continuing to show growth with widening interest and good input. Volunteers in most areas continue to be high. It is not an easy undertaking.

Such a festival is a complex undertaking. There are many events, come 60-odd in the festival. Next year there will be improvements. A photo competition, the idea of 'youngtion', which is the young people's day created by Cayfest which has proved so popular among the high school crowd that a second version, a junior youngtion will start next year at a separate site. Since it was being conceived to cater specifically to primary school children, the response from the principal has been very high with the Saturday afternoon.

A major refinement for 1998 is the expansion of the Cayman Brac contribution for this Cayfest which drew over some 200 people to the Aston Ruddy Centre this year. They intend to run a mini Cayfest over there using as a model many of the events originally created for Cayfest and they will have their own Cafe Cayman, their own praise, their own youngtion, photo competition and an art show. They plan also to revive the fun and games.

The Quadrille, which is dear to my heart, has really caught on in the Brac. Next year all have agreed that Cayfest will change to a different month. This is good. So, I am very enthused that this is an event that will assist us in making sure that our culture is carried to the districts in a positive manner. There was no intention to take over Pirate's Week. That is a completely different festival. This is very good, very clean and I want to thank the co-ordinator, Mr. Martin and the workers, Mr. Gary Ebanks and others for all that they have done. Probably, I am going too far into this area, as I am sure the Minister wants to mention certain things as well.

I just want to say that the 1973 festival was not the same thing as Cayfest. It was completely different.

Mr. Speaker, I see where the housing vote has been cut. . .

The Speaker: Honourable Member, since you are going into a new subject, I wonder if we can pause here for the luncheon break?

Mr. W. McKeever Bush : Thank you, Mr. Speaker.

The Speaker: We shall suspend proceedings until 2.30 PM.

PROCEEDINGS SUSPENDED AT 12.50 PM

PROCEEDINGS RESUMED AT 2.59 PM

The Speaker: Please be seated. Proceedings are resumed. Continuation of debate on the Appropriation Bill. The First Elected Member for West Bay.

Mr. W. McKeever Bush : Thank you, Mr. Speaker. When we took the break for lunch, I was going on to deal with the vote for housing assistance, which from what I can see has been cut. That vote was for the needy, the handicapped, and the aged, to make repairs to their homes and for other persons when they have an emergency and fall into need. Repairs such as repairing roofs, and other such general repairs.

Now, Sir, with an ageing population, and the housing stock for that age bracket getting older, and the need of repairs each year, and with the changes in the atmospheric conditions, as have taken place in recent times, where we have had such severe rains and floods, there have been quite a few roofs needing repair throughout the Islands. As I said, this stock of housing in that particular age group is getting much older. This is no time, Mr. Speaker, to cut the vote, and from what I see, unless something else has been done with it, it is a drastic cut. Again I say that there are other areas which could better take a reduction.

The worst mistake we can make in this House as legislators and policy makers, or in the Glass House, is to believe that we know it all about the circumstances of others. Let me say, and I am sure that many of us are aware, if not all of us, that there are a lot of people hurting out there for many different reasons. A lot of people are hurting. A lot of our elderly are in need of assistance in different areas. We cannot just be a judge on situations existing by looking at material in front of us on paper. We all have to feel the feelings and we all have to walk the walk. I say no more.

I paid tribute to my staff in the Ministry and I want to take time out here to pay thanks to Mr. Charles Branch and his staff. Here is a good man. And you know what? We often talk about foreign staff, but here is a good man who is not Caymanian, but thinks and does a lot in his own way for Caymanians. He is very conscientious, and his staff are the same, and they too have the programmes and children's interests at heart. I also want to include Mrs. Lookloy and Mrs. Jen Dixon, Director and Deputy Director of Social Services, and their staff, for all their hard work. I had more dealings with the two of them because they were on

the management level. They took a special interest in the policies of the Government, and did their best to have them carried out.

The family study was ready to be tabled at this meeting. I look forward to the public feedback and involvement in the carrying out of the recommendations, and of course the tabling of those recommendations.

There is a new Minister, Mrs. O'Connor, and — Mrs. O'Connor-Connolly, I had better get that right! — but she is more specially known to us as Julie. But the Honourable Minister, Mr. Speaker, having just taken up the post, I must say that I am pleased she is there, and will do what I can to assist her. I believe she, as I said earlier, is one of those that feels the feelings, and can walk the walk, and I am going to say to her that that is what I am expecting. I will do all I can to help her.

The Governor has embarked on reinvention of Government, which is actually trying to modernise the process of Government, to make more efficient the way Government is doing business. I look forward to positive results from this exercise in the future, as I support what the Governor and his team is trying to accomplish. It is time that we find new ways, be innovative in the way we conduct business in Government. This is a good start, and I believe it has a lot of support. But it means involvement of everyone, and I trust that soon the general public will be brought up to date in what is actually taking place.

Before I close, I want to talk a little bit about the District of West Bay. There are many areas and much to be done and that can be done, and as a representative, I will be undertaking several projects, hopefully in each year, that are workable and attainable. In the next year we propose to do a District gym. When I say we, that is myself as a representative, the Community Development Action Committee (CODAC) there in West Bay, the Scholars Football Club. Mr. Cline Glidden Jr., the young man who is president of the CODAC has a good team with him, and they are very enthused about doing a District gym.

West Bay has some 8,000 people, and today there is no doubt that people are health-conscious, and we need to encourage good health by regular exercise. We are taking this on as a community project. We will be using the old Republic supermarket, some of that building, and hopefully get started next year.

Before I left, Mr. Speaker, Executive Council had plans to develop the old District Clinic into a Seaman's Hall. Also, we intend to do this as a community project with some assistance from Government, because some funds are in place to develop or renovate the District Clinic.

The main project I would like to see carried out by Government in my district is the new Primary School, and the John Cumber Primary School Hall. I know that everybody is clamouring for their share of the Budget. The pie is smaller, but this is a priority, this is urgently needed. I know the Minister knows that, and all we have to do is give him sufficient funds, and he will carry it out.

John Cumber Primary School, Mr. Speaker, has well over 400 children. It is bursting at its seams. On a visit there just a couple of weeks ago with the Minister, they made us aware of what they have to contend with. This is

not something, Mr. Speaker, that can be put off. This is one of those projects—Education—that must get the funds it needs to finish the project. This is not something that can wait. This is our children's future. As I said, I know that if we give the Minister the money, the job will be done.

The Primary School there, Mr. Speaker, is a good school. I want to salute the contribution the school has made to the well-being of our community over the past 30 years or so, building on a foundation that was already established, of course. I certainly know that my children benefited from their time at John Cumber Primary School, as I did from my time at the Town Hall School. It is true to say today, as it was some 30 years ago, when I attended, that this school has a wonderful atmosphere of family about it. The relationship between the teachers is very good, and their efforts to involve and encourage parents are exemplary.

This adds immeasurably to the environment for learning, and I am sure makes it possible for the children to do so whether in academic study, extracurricular activities, the Festival of the Arts, or in sports — whatever! I must congratulate the teachers. We have to pay special homage to the teachers in this country, because sometimes the only home some children know is the schoolroom. The only special attention they get is that of the teacher. I am not one of those to criticise teachers. They have a very strong PTA, and I congratulate and encourage those parents who are involved with the children and supporting the school. So I ask that serious consideration be given to starting the building of the new school, and the Hall.

We are not a dead country. As I said some two weeks ago, we are dependent on the outside world, and we must start medium- and long-term plans and strategies. We are being monitored. We therefore have to focus on remaining competitive. We also must continue to monitor developments in the national economy.

I believe, taking all things into consideration, even when there are things we disagree with, Cayman can expect to continue to enjoy good growth, if we focus our efforts on staying competitive, prioritising local policies and projects, and remaining responsive to the external environment.

I believe, as I said that night, I say again, I believe that while the future is not guaranteed, it can be bright. My vision, Mr. Speaker, for the Cayman Islands in the 21st century, is for us to be a home for our people, a home where we feel comfortable with ourselves, where we look after one another, where everyone makes the country succeed, does their part.

My vision for these Islands is not a house of blocks and cement, but our home, OUR HOME, with hearts and dreams, people who feel confident and secure, people who believe in the Cayman Islands and its future. Let us all work together to make these Islands our best home for all of us. As for me, Mr. Speaker, "The woods are lonely, dark and deep, but I have promises to keep and miles to go before I sleep, miles to go before I sleep." Thank you, Mr. Speaker, and I wish you and your family the very best — and Members — this upcoming holiday season.

The Speaker: Does any other Member wish to speak? The Second Elected Member for Bodden Town.

Miss Heather D. Bodden: Thank you, Mr. Speaker. I rise to offer my contribution to the 1998 Budget Address delivered by the Honourable George McCarthy, Financial Secretary.

I must begin by saying that I am pleased in general with the way this Address has gone. While there have been some points raised in dispute of the Budget, I am comfortable that most concerns have been answered. In my opinion, this situation speaks well for the 1998 Budget, and I am therefore pleased to say to the people of my district, as well as the people of these Islands, that I support the Budget wholeheartedly. The outlook for 1998 is very positive.

Mr. Speaker, I am especially pleased to see that the Government of these Islands is continuing to provide a foundation that is most superior in comparison to other countries in the region, and one that is on par with many countries world-wide.

I also echo the Hon. Truman Bodden's sentiments about making and maintaining a professionalism during this debate. It is easy to comply with this standard when you have the confidence that Government is leading us in the right direction. First and foremost, I would like to offer my support for the amount of money budgeted for education. To reiterate, the Budget for 1998 has allocated 15% towards educating the people of these Islands. There is no way anyone can argue with this expenditure, particularly knowing that we all want our people to have the opportunity to grow into the positions now enjoyed by those from other countries. There is only one way to accomplish this, and that is by education.

It is also very pleasing to know that Government is investing more money in their people than any other developed country known. The payoff is evident, according to the results of the external exams, which were the highest ever achieved. I support the building of new primary schools in George Town, West Bay, and the high schools in Grand Cayman and Cayman Brac. Crowded schools make it very difficult for children to get the proper attention. I also fully support the allocation of \$100,000 for the insulation and air conditioning of all Government schools. This should have happened many years ago, and I am thankful now that all children will soon be able to learn in comfort.

I support the plans for the Lighthouse School. These children need every opportunity made available to help them become productive members of our society. The Lighthouse School students have special needs, such as equipment, space location, and attention, and it is definitely time that they receive what they deserve. Some people may feel that \$1 million is a lot of money. However, unless you have lived with the difficulties some families face, you cannot possibly know how much they need our help.

On a positive note, I would like to take the opportunity to say how proud I am to be associated with the Honourable Anthony Eden. I am especially proud . . .

The Speaker: Could I just ask the Honourable Member to refer to them by their Ministry or as Members from certain Districts?

Miss Heather D. Bodden: Thank you, Sir, I most certainly will. On a positive note, I would like to take the opportunity to say how proud I am to be associated with the Honourable Minister responsible for Health, Social Welfare, Drug Abuse and Rehabilitation. I am especially proud since he comes from my district. He has served as an invaluable role model for me, and it pleases me to hear all the positive comments that are being made about him, not only here in this Honourable House, but also on the street.

I support the decision to finish the job the Minister has started with the District Health Clinics. Four districts in Cayman now enjoy accessible health care, and George Town will be coming on line soon with the new Hospital. These new clinics will take the pressure off the present facilities, which is needed to fulfil the long-term plan for the Hospital.

I must also say that I am personally looking forward to the completion of the Hospital project, knowing what the Minister has planned for us. Soon we will enjoy the same health care as those who live abroad, and I might add that it will be in the comfort of our own home.

Needless to say, it becomes a very expensive undertaking when you must travel abroad to receive certain types of medical assistance, not to mention the discomfort of those who must travel when they are ill. Anyone who has had to go through this experience will support the Minister's efforts wholeheartedly.

At this point I would like to address the Drug Rehabilitation Centre in Breakers. I know this project has not come easily for the Minister, but I applaud his persistence. I recognise the need for help in this area, as we are not seeing any decline in drug abuse on these Islands. The Police Service is doing everything it can to intervene in drug trafficking, but those persons who abuse are ill, and need assistance. \$300,000 is not that much money when you think of the lives that can be turned around as a result.

As for the portion of the Budget allocated to my district, I can only say how pleased I am for my people. Much has been accomplished, and we are moving forward at a rapid pace to bring them everything they need, want and deserve. First, let me offer my sincere thanks for the hard work being done by Public Works. There has been much improvement in our roads so far, and I am thrilled to report that there is much more to come. Constituents who have called and asked for roads to be repaired recently will hopefully see these repairs in 1998. I therefore support 100% the \$300,000 allocated to continue the programme of upgrading existing roads with spray and chip products.

I also fully support the road works programme providing hot mix for resurfacing over the next three years. With the rapid rate of development in our District and elsewhere, all of our roads are taking a beating, and we need to be mindful of this going forward as we continue to debate our capital expenditures.

Naturally, I am very pleased with the allocation of funds to complete the Bodden Town playing field. The

completion of the field is very important for the children of my district. Soon, with God's help, they will have a place that will accommodate all the sporting activities we presently enjoy playing. Comfortable seating will be provided in a place the parents can go to observe their children and support their children in comfort.

To date, the underground irrigation is complete and topsoil is being spread. Once the soil has been completed, the grass seed will be planted. Hopefully in the first quarter of 1998, the field will be ready for bleachers and hard courts and other equipment. This is clearly one of the best ways to keep our young people off the streets, and to keep them moving in a positive direction.

I am also very thankful that funds are being provided for a Senior Citizens' Home. Now, and hopefully in the near future, families can rest assured that the elderly, incapable of taking care of themselves, will soon receive the attention that is needed at that age, such as proper medical supervision, as well as diet and nutrition.

Lastly, the people of our district will soon have the library they have been asking for. Again, this is another healthy way to keep our children off the streets.

Finally, Mr. Speaker, although I support the request of the Honourable Minister for Aviation, Planning and Education, to keep this debate positive and professional, I am left with no choice but to respond to the Third Elected Member's comments regarding the keys to the Bodden Town Civic Centre and the MLA office.

The reason I am responding is not to dignify his ridiculous accusations of being locked out by the National Team, but because he has stated that his constituents will now have to travel to an office in George Town to be heard. This is not fair to them, particularly when they have a nice facility located right in their own neighbourhood.

Finally, Mr. Speaker, I question the comments of the Third Elected Member for Bodden Town, that what comes around, goes around, and that he knows how to play hardball too. I look forward to his explanation.

Mr. Speaker, in closing, I would like to thank the Financial Secretary and his capable staff, who have spent many long hours preparing this document. And I too look forward to the positive results these monies will bring to our people. Thank you.

The Speaker: Does any other Member wish to speak? The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr.: Thank you, Mr. Speaker. I could not run the risk of losing my chance to speak. I know the Ministers on the other side are 'champing at the bit' to speak, but they will get up after me.

First of all, let me congratulate the Third Official Member, the Honourable Financial Secretary for his Budget Address and for the contents of his speech. I was looking back over some of my contributions to the Budget over the past nine years I have been here, and I have preached from day one the importance of us as a country living within our financial means. My first address was delivered, I think, in February 1989, and that is the theme that was put forward from then.

I am a firm believer that that has been one of the key ingredients to our continued financial success. The unfortunate position that the National Team Government found itself in when it took over some five years ago, that there were so many services, facilities and programmes that were needed in this country, that it was almost an urgency to ensure that our people were provided with some of these facilities, programmes and services. But you know, back in 1993, I remember after we took over the Government, which at that time was virtually broke, we made a conscious decision, and that was this: We do not have any money to spend this year. We believe we have to provide the country with an opportunity to catch its breath and give the finances time to recover before we embarked on any massive or aggressive capital spending programmes. I saluted that approach, and I believe as a result we enjoy the position we do at the present time, as far as the financial position of Government.

The fortunate position we are in at the present time, is that if we went to Government bankers right now and said, We need \$30 million, they would ask you, When? Because I believe that over the past five years, Government, headed by the Third Official Member who is in charge of finance, has demonstrated that it is responsible. They have a concern with regard to public spending. And we have put our financial house in order. The temptation there, Mr. Speaker, because credit is so easily available, it is very difficult for you to sit back and say, You know something, we need a new hospital, we need new sporting facilities, we need a new Lighthouse School, we need to complete the Pedro Castle project, we need so many different things. Why not go and borrow it? why not go and borrow it, rather than continuing on the approach we have taken over the years, that is, let us take our time, let us do it according to our ability, in-house, to finance some of these projects.

I do not believe that anyone can accuse the National Team Government of not spending money on capital projects. I think we have the facilities and evidence there that the money was well spent. But what I am concerned about as an individual, and as a representative of the people, is that we continue to adhere to that discipline that is necessary in order to ensure that we have and enjoy continued financial independence in this country.

I personally am very concerned that the present Budget we are now debating, the 1998 Budget, according to my calculations, Mr. Speaker, something like 98% of the Budget, revenue that is, is going towards paying civil service pensions, salaries and other benefits. And we have about \$4 million to contribute towards our capital projects.

Now if you are in business on a personal basis, you and I both know that you cannot survive on a percentage of 95% just going to salaries and benefits and other related services. If it is 50%, Mr. Speaker, it is reasonable, because you have money available then to take care of the other services you want to provide.

I think one of the difficulties we have is that Government has adopted the position, and not necessarily this Government, Mr. Speaker. This has been the position down through the years, in that Government attempts to provide all services to everyone, rather than saying, Why

not look at encouraging the private sector to offer this service, rather than Government taking it upon itself to do it?

The concern I have right now is that unless we find some new sources of revenue — and I have heard a few recommendations which I would not support — we need to really watch very carefully our expenditure. I want to congratulate the Minister for Health for his foresight and ambitions with regard to providing this country with first class medical facilities. That is, not only on a central basis, but also at the District level. I was very pleased to attend two official openings recently, one in East End, and the long-awaited one in my own District in West Bay, of our new health facility. It is first class, second to none, and it is deeply appreciated by our people.

But we have been talking about that — I know I have been talking about it — since I was elected in 1988. So it took us eight or nine years to get it! But we have it! This is what I am concerned about. It appears that we recognise we need all these services and facilities, and we want it tomorrow, rather than saying, Let us make sure that we finish the Hospital. That is some time next year, September or October next year, we will have a brand spanking new Hospital, which we can be proud of. But after that, it creates a little space for some of the other projects we need in our District, and on a national level.

The other thing I think is a priority . . .

The Speaker: Would this be a convenient time, if you are going to a new subject, to take the afternoon break?

Mr. John D. Jefferson, Jr.: Yes, Sir.

The Speaker: We shall suspend for fifteen minutes.

PROCEEDINGS SUSPENDED AT 3.43 PM

PROCEEDINGS RESUMED AT 4.10 PM

The Speaker: Please be seated. Proceedings are resumed. Debate continues. The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr.: Mr. Speaker, prior to taking the suspension, I was dealing with some of the demands that have been placed on the present Government to provide programmes, facilities and services. I made a note of a couple of those demands, Mr. Speaker: national health insurance, national pension plan — are some of the issues that we as a Government have been faced with. We now have these two programmes at the level where we are able, I think, in terms of implementation of these plans — I still believe that we need to provide a little more consideration to the pension plan before we actually put that into operation, but I am quite sure that those responsible will address these issues.

The other problem we are faced with is the idea of providing a proper pension plan, a vested pension plan, for our civil servants. An actuarial study was done and it was determined that it is several million dollars. What the Government has been attempting to do is move along with re-

gard to vesting these pensions as quickly as possible. That also creates a demand for additional funds for budget purposes. I believe that this is a step in the right direction. The only thing I would caution is that we try to do it over a reasonable timeframe, because of the numbers involved.

I am not sure how long Government or the civil service has been around, but we have been here quite a while, and we have never failed to provide for those civil servants who have made a contribution and qualified for a pension. So I think we need to move along with it, but move along with it at a pace that we can accommodate, taking into consideration our limited resources available.

I mention also the temptation of borrowing. That is, should I say a good temptation to have available, because when we took over in 1992, that was not the case. The previous Government did not enjoy that privilege because no bank in the country would lend them the money they needed. For example, I remember that we had passed in this Legislative Assembly a loan bill authorising Government to borrow some US\$20 million to assist Cayman Airways. The 1988-1992 Government was unable to get those funds, because no bank would loan them those funds.

As I mentioned, we are in a dilemma, in that we recognise that these services and facilities have to be provided. All I am asking and all I am recommending is that we move ahead and move along in providing these services, programmes and facilities at a pace that can be accommodated by our limited revenue resources.

The Hospital was a major commitment as far as this Government is concerned, but it is a project that has the full support of the people of this country. The Minister responsible has been very honest with regard to telling people exactly how much it was going to cost, and the people have basically said, *'Go ahead, provide the facility. We are prepared to support it.'* Because of that we went ahead and embarked on a massive construction programme to provide a first class hospital facility in this country.

The approach I have appreciated with regard to the present Minister for Health is that he has allowed his support staff an opportunity to provide their input for this facility. He has allowed input from the representatives of the people, and on a number of occasions, we have been invited to go along to tour the site and the project, to see for ourselves that progress is being made with regard to its completion.

I also believe that because of his approach to the job, he empowers the people. That is, he allows them to make decisions on their own after consulting with him. Not only that, he is also prepared to give others credit for what they do. So I am looking forward to the completion of the new Hospital. In this year's Budget there is a substantial provision for the completion of the Hospital, for the equipping of the Hospital, and for the staffing of the Hospital.

The only caution I would throw out is that the people of this country, like any other country, have to recognise that once that facility has been completed, those who can afford to pay must pay. Because I do not know what the percentage is now with regard to the subsidy for health care in this country, but it is substantial. And I believe that

we cannot continue as a country to subsidise health care or any other programme to the extent we are presently doing.

So we will continue to ensure that those people who cannot afford it will not be denied or deprived of the health care services they need. But the mentality has to change that because Government is providing it, it has to be free of cost. The average Caymanian who goes to a private practitioner has no problem regardless of how poor they are, in saying, You know, it is going to cost me \$100 and I am prepared to pay the \$100 for that service. That is the approach we need to take with regard to the new Hospital.

I was invited, probably about two weeks ago, to a briefing on the reinvention of Government exercise. I was proud of the fact that the health care providers were put up as examples of how this process will work. They did a good job with regard to improving the services, the attitude, and the time it takes to provide those services to the general public. One of the things I was very pleased with was to learn that the dental facilities are in a position where they are basically taking care of their own expenditure. It speaks well, Mr. Speaker, for that Minister and his support team.

So that is a priority as far as capital expenditure is concerned, that is the new Hospital, and we should be in a position where we say, We need to provide for this, make sure the funds are there to complete the contract. Because once it is completed, other than with regard to the recurrent expenditure side of it, we for a long time will not be in a position where we have to provide any additional health care facilities in this country.

In the last election, that is the 1996 election, one of the big issues was the funding, I guess you would call it, for the facility for the Lighthouse School. I remember telling the Minister at the time that this, I believe, is a project that has the support of the community and that a few people who appeared on television should not have detracted from that particular mission, of providing that service. Even some of the Members from his district made it a political issue on their platform. But we must recognise how fortunate we are in this country, that is to enjoy good health. But there are some people among us, there are others among us who are not so fortunate, and we must ensure that they are properly taken care of. I am aware that in this year's Budget there is a provision for the purchase of the property and for providing that facility that is so badly needed because of the overcrowded situation presently at the Lighthouse School. I applaud the Minister of Education for taking the bold step and moving forward with that very needed project.

I was a part of the Budget process, and I made my input and my contributions. For the 1997 Budget, I supported the things that were put forward as far as revenue measures, and I also supported the borrowings put forward in order to fund the 1997 Budget. In 1997, according to the information I have available, we found it necessary to borrow \$23.8 million as part of the funding required for the 1997 Budget. Like I said, it has always been my philosophy that we have to be very cautious with regard to public borrowing. You can justify anything, Mr. Speaker. That is the

position I take. You can justify anything. But the concern I have is that we are very prudent and very disciplined with regard to our external financial commitments. Because I would hate for us to be in a position where many of our Caribbean neighbours find themselves, where the IMF [International Monetary Fund] comes in and dictates to you what goes on in your country. They will tell you, Mr. Speaker, You cut the civil service by 15%. You do this, you do that, as part of the financial measures required in keeping with your loan commitment we have made to you.

I personally am very concerned that for the 1998 Budget we have had to come forward again to borrow over \$19 million. According to my information, at the end of 1998, public debt will be in the region of \$100 million. Now I do not know whose attention that gets, but it gets my attention. According to a statistic I saw recently, and this was with respect to the year 1996, public debt — and I do not have the current statistics — amounted to something like 11% of our gross domestic product, our output in this country.

When you do not have a tax base like many of the other developed countries have, where they can continue to raise the percentage on personal income tax, real estate tax, and all the other taxes they have available as part of their society, you have to be very careful. Like you, Mr. Speaker, I am a churchgoer and a believer. I recall the story of a Pharaoh who had a dream that greatly disturbed him. He called his magicians and his astrologers in and said, "I want you to interpret this dream." He finally was put in contact with Joseph.

Joseph said, "Your Majesty, here is what your dream means. There will be seven years of plenty." The King smiled. "That sounds good, makes me look good." But Joseph said, "During the seven years of plenty, ensure that you plant, you reap and you store. Because after the seven years of plenty, we will have seven years of famine." Mr. Speaker, after he told the Pharaoh that, the Pharaoh said, "Joseph, you are in charge to ensure that exactly what you told me happens."

We all know the moral of that story, that we put aside in good times for the hard times that will eventually come. That is all I am saying, as far as this Government is concerned. Let us be cautious. And I think we have been very blessed in this country over the last five years because we have enjoyed unprecedented success in this country economically.

Mr. Speaker, I am going to move on to another subject, and I notice it is 4.30.

The Speaker: I would accept a motion for the adjournment.

ADJOURNMENT

Hon. Anthony S. Eden: Mr. Speaker, I beg to move that this Honourable House be adjourned until 10 o'clock tomorrow morning.

The Speaker: The question is that this House do now adjourn until 10.00 AM tomorrow. Those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it. The House stands adjourned until 10.00 AM tomorrow.

AT 4.30 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM FRIDAY, 21st NOVEMBER, 1997.

**EDITED
FRIDAY
21ST NOVEMBER, 1997
10.16 AM**

The Speaker: Prayers by the First Elected Member for George Town.

PRAYERS

Mr. D. Kurt Tibbetts: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed. Questions to Honourable Members/Ministers. Question No. 182 is standing in the name of the Third Elected Member for George Town.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

QUESTION NO. 182

No. 182: Mr. Linford A. Pierson asked the Honourable Minister responsible for Agriculture, Environment, Communications and Works to state what plans are being considered to address the traffic problems at the four-

way junction at Thomas Russell Road and Bobby Thompson Way.

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: The Public Works Department will install a traffic signal at the intersection in early 1998. Equipment for the signal is currently on order. The proposed intersection improvements have already been gazetted.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I am very happy to learn that this action will be taken in this area and I am sure that it will assist the problems at the airport junction. I wonder if the Honourable Minister can say if any studies have been done as to what improvement we can expect in that area?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: It is my understanding that with the additional lights being in place at Thomas Russell Way and the proper improvements at the intersection by the Farmers' Market and the adjustments to the lights by Graham's Esso, that the intersection at the airport should flow more easily than it is now.

I am aware that there have been back-ups caused by that junction and no doubt everyone knows that since the road was put in, in somewhat of a hurry, it has been working fairly well with certain adjustments. But the situation has been monitored continuously.

As I said, we have made certain adjustments, especially the junction by Kirk Motors and the Airport. We are constantly monitoring the one by the junction of Smith Road going east. Hopefully, with these other lights and the adjustments we will make, this will flow much better.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I wonder if the Honourable Minister is also able to say if any study has been done on the junction of South Sound and Red Bay Road?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I trust it is the junction where we branch off to go to Lions Centre and down to Old South Sound?

Mr. Linford A. Pierson: No, Mr. Speaker, the junction further up by the end of South Sound Road that goes into the Red Bay Road to Bodden Town.

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Again, as part of the plan for the eastern districts, we are hoping to do the Crewe Road By-pass. I think that about two years ago we did an additional lane on the road which runs up to Red Bay Plaza. This has been working fairly well, however, it has never been done to standard because we had to do it within the [budget] we had to work with. We are looking at that area and also we are looking at the area on Spotts straight. We are hoping to make an additional lane there. Hopefully that will alleviate the problem, and persons coming down in the morning will be able to branch off earlier going into South Sound and not have to come back and go through the Prospect area.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: To revert to the substantive question, is the Minister in a position to say what is being done at the junction of Thomas Russell Road and Bobby Thompson Way while we are waiting on the erection of the traffic signal?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: We have tried our best to adjust things there. We have put in an additional side lane for the motorists travelling east. I guess we could call that a second lane in that area. I think the problem now remains with the Bobby Thompson Way and the alignment of it. We are hoping that with the adjustments I have mentioned we will be able to align the road better and have a completely different flow of traffic. Right now, for example, if you are coming from Bobby Thompson Way you cannot flow too easily onto Thomas Russell Way. So this will alleviate the problem there presently.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: I realise that this is not the Minister's responsibility, but I raise the matter in hope that the Member responsible will take it with the seriousness it deserves. I notice that very often the presence of a police officer directing traffic alleviates the possibility of accidents. I have made the request of the traffic department several times, myself, and I admit that a couple of times they responded. My question now is: Is it possible in the

interim to get a police officer during the peak hours consistently to supervise and direct traffic at this very busy intersection until we get this traffic signal?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Sometimes, when we see the police on the road, I get complaints that they are holding up traffic. But I am glad that the Member raised this question because this request has come in and has been made to the police. We will definitely have someone there to do that.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Minister say if it is because of the alignment problems with that intersection that a four-way stop system has not been implemented?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I would have to say that that road has never really been aligned. One would realise that Bobby Thompson Way was constructed at one stage as, I would say, a single entry out there. The other roads have constantly been worked with. So the system we are trying to put in place now will align the four areas together, hopefully giving a better flow. The reason the four-way stop was not considered was exactly that—it was never aligned properly.

We found that even the way we have actually widened Bobby Thompson Way created some problems. As a matter of fact, I played police officer in that area this morning because I saw a school teacher overtaking where he should not have, on the left side. I had to stop (he could not go any further) and say to him that he was doing something contrary to the Law. So this is the reason, we need to have it properly aligned and get it all flowing properly. Once we have the lights, I believe this will alleviate the problem.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Minister say if whatever land needs to be acquired has been, and if everything is all right with the landowner involved?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I mentioned that the intersection had been gazetted. Once that corridor is gazetted then we have sufficient property to do the intersection.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Could the Minister state if funds are available in this Budget for whatever expenditure is necessary for the equipment, which I understand will arrive early in 1998?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Contrary to what I guess people think of the Public Works Department, it is my understanding that because of their good works, we were able to save funds on the Harquail Bypass and we will be able to utilise some of those funds for this intersection.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Unless I am misunderstanding, if funds are left over at the end of the year, they go back into the general pool. I wonder if the Minister could explain how this is going to happen in 1998?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: There is no problem with that. I said in my answer to the substantive question that Public Works will install traffic signals at the intersection in early 1998. I did not state that we were going to take funds from this year's Budget into 1998.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: The Honourable Minister stated that funds were saved on the work being done at the Harquail Bypass. My understanding of that answer is that was for the year 1997. If that is the case, I still ask the same question.

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I do not know how else to answer the question because, like I said awhile ago, the lights will be installed in 1998. What I am saying is that there will be a savings from the Harquail Bypass as the Member knows that road will hopefully be done (weather permitting) at the end of December. So I am saying that there has been a savings on that. It is my understanding from the Public Works Department that we will utilise those funds for the lights we have ordered. Or, I should say, some of the funds.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Perhaps the Minister wants to add something to that answer before I ask my supplementary?

Hon. John B. McLean: No, Mr. Speaker.

Mr. D. Kurt Tibbetts: Is the Minister then saying that the works to be carried out at that intersection will be paid for during the 1997 year?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: We were talking about the installation of traffic signals. I have tried to explain to the Member that I understand there is a savings from the Harquail Bypass and we are going to try to put those traffic signals in there to put the intersection in order. I do not know what else I can say on that. If there is a savings from the Harquail Bypass it is recommended that we utilise some of those funds for the traffic signals. If it is from the 1997, as he well knows, we would have to utilise those funds this year, not in 1998.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I well know what the Minister just answered so I will ask him then, will the equipment be paid for in 1997?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: It is my understanding that when equipment is ordered such as this, we actually pay for it. That is what I was trying to get across to the Member. If we are going to utilise some of the funds, which are savings from the Harquail Bypass out of the 1997 Budget, we will have to have the lights installed in 1998.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Just for clarity, the Minister is then saying to me that the equipment ordered for this intersection is paid for?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I do not have anymore to say on this. I think I have made the point, and I think the Member honestly understands what I am saying. If there is anything further on that, I would have to bring somebody from Public Works to say when it was done. . . I do not have that information here.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I am only seeking to fully understand so I hope the Minister does not misunderstand my intentions. I will go through it in the sequence of his answers. The Minister stated that the lights to be installed in early 1998 at the intersection of Bobby Thompson Way and Smith Road/Thomas Russell Way have been ordered. The Minister has stated that when such equipment is ordered they have to be paid for. My understanding from that is when you order it you pay for it when you order. If this is the case, I am simply asking the Minister if what he has said directly means that the equipment has been ordered and paid for. That is all I am asking the Minister to say.

The Speaker: Are there any further supplementaries?
The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Mr. Speaker, with the greatest of respect, while the Minister has stated that he has no more to say, I do not feel that is an unfair question and I think it should be answered.

The Speaker: Will you turn it into a question then? You have made a statement.

Mr. D. Kurt Tibbetts: Mr. Speaker, with the greatest of respect I have asked the question: if the Minister would say if the equipment has been paid for.

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Mr. Speaker, I have said as much as I am going to say on this question. I think that if we listen to both sides of this you will understand that I have given the answer.

The Speaker: If there are no further supplementaries the next question is No. 183, standing in the name of the First Elected Member for George Town.

QUESTION NO. 183

No. 183: Mr. D. Kurt Tibbetts asked the Honourable Minister responsible for Agriculture, Environment, Communications and Works if the Public Works Department has any record of any road works that have been paid for and have not been completed by private contractor(s).

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: The Public Works Department does not have record of any private road works which have been paid for, but not carried out by private contractors. Payments to private contractors are not made prior to road works being carried out. Contractors submit requests for payments following completion of works and the Public Works Department supervising officer for the

contract certifies the completion of the works prior to issuance of a payment certificate for the contractor.

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Before I go into the supplementaries, I just wish the Honourable Minister to understand that my line of questioning is not to get at him, but simply to get information. The substantive answer contains one part which says, "Payments to private contractors are not made prior to road works being carried out." Can the Minister state if when it gets close to the end of the financial year and road works are being carried out, that with all good intention some payments may be made before these road works are completed simply to use the funds up before the year ends?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: The most I can say on that is that I know for sure that it is not a procedure that the Finance Department agrees to and I cannot say of any case where this has been done. If it has, I would say that somebody must have been out of order because it is not something that I would be directly involved with. It would have to be done in the department, and I hope that nothing like this has happened.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Would the Minister then just give an undertaking to investigate if anything like that has happened? He can perhaps then give the answer in writing.

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: As I mentioned a while ago, if something like this has happened, it would not be my Ministry to actually do the investigation. Under the Public Finance and Audit Law it would be contrary to what has to be done. Along with me bringing it to the attention of my department, I trust that the Financial Secretary has taken note and that through his Portfolio we will also have an investigation there.

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Mr. D. Kurt Tibbetts: I take the Minister's point and I will use the regular channels to ask a substantive question at a later date to the people directly involved.

Getting back to the original question, would the Minister explain if, when Public Works contracts road work out to these private contractors, Public Works has the

latitude when doing payments to charge payment for certain jobs to other job and be able to do so internally?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Again, I think I am trying to answer a question that is more with finance. It is my understanding that certain things which are authorised by the Chief Engineer can be done. It is my understanding that things like virements can be done, especially at the end of the year when they are trying to do a clean-up in the Budget. Not necessarily the Budget but with Government's finances. This is the only thing I can think about and if the Member has something different, again, I would be happy to have it investigated.

The Speaker: If there are no further supplementaries the next question is No. 184 is standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 184

No. 184: Mr. Roy Bodden asked the Honourable Minister for Education, Aviation and Planning how many persons have enrolled in the Cayman Islands' Training Initiative.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Six persons enrolled in the Cayman Islands' Training Initiative programme to undertake hospitality studies and of those six, one withdrew.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister provide the House with an update on the progress of these students up to this point?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I understand. . . well, as I mentioned one withdrew and a second one has withdrawn for medical reasons.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Would the Minister be in a position to explain how individuals are processed and accepted into the Cayman Islands Training Initiative, and if there is any specific time during the year this can be done, and times it cannot be done?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: The acceptance of students is in September, this is the first year, as the Member would appreciate, and it will be again in February. I understand the process. . . and I need to just mention here that this is something that has only come to my Ministry a few days ago, but I understand that under this programme they apply to the Community College and once they are accepted it then goes to the Ministry of Community Affairs. They then approved the initiative.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: In the Minister's answer he said that the two times a year these potential students are processed is September and February. Could the Minister explain if this has to do with the semesters or if it is an arbitrary time that has been decided upon?

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, I understand that the programme is structured on the basis of two half-years, so there is entry at the beginning of each half-year. So it is the English system of division rather than the semester—the US division.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you. It has been my experience, Mr. Speaker, and I accept that this is a new programme for all concerned, but it has been my experience that there are many individuals, either through ignorance, or simply not being made aware of this programme, who have found out about this training initiative since the month of September. The fact that there are only four people there now, as I understand what the Minister answered, would that in any way allow for the latitude of possibly the Community College accepting other students before the month of February, because I am sure four students really do not take that much to deal with.

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, even though we only have four from this programme, they are in a larger class with other students. That is the first part.

The second thing is, I am instructed, Mr. Speaker, that promotional campaigns including district visits were under way in May and continued until September when the classes began. I have the principal of the College here, and as I think we all know, they need to begin when the course starts. To try to bring them in the middle, I do not think is to their benefit or ours, because it is a course

that will go on over a full year. However, I am naturally sympathetic to them, and naturally anything we can do to assist, I am sure the College will do.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. I recall that at the inception of this programme there was an absence of any participation by the Ministry of Tourism, Ministry or Department of Tourism. My question is, Has this Department been involved recently? And if not, why?

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, apparently the College and the other Ministry have been holding meetings with the Tourism Ministry, and a new programme will be starting this coming year. That sort of covers it.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you. Mr. Speaker, permit me to say that I am not trying to give this any political stance, Sir. It is a programme which I deem very important, and the principal of the Community College as well as the Minister for Education will realise that I am really serious.

My question now is, What can we, in our capacity as Members of the Legislative Assembly, do to help with the promotion of this programme and public relations, so that this programme can get the response that I am certain it needs, seeing that in our daily movements in the society, we meet people who can benefit from this kind of exposure and experience? I would request of the Honourable Minister, if he does not have the information at hand, to please feel free to contact us with anything we might do. I ask this question in all sincerity — anything we might do to help with this programme, because there is a dire need for this as well as a dire need to help our young people.

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, what we can do is to make the packets of information available to all Members. That is the first thing. I think then Honourable Members, as they meet people, would be in a position to know fully what is being offered, and if they could then assist in promoting it.

Let me just say, Mr. Speaker, that sometimes I must tell you, I get a bit disheartened as well because we have courses there and many times, our people do not really take advantage of them. Not just this one, I am talking about generally, Sir. I know, especially on the technical side, this Honourable House has had a lot of interest in it. We have pushed it, and I think many of the employers have assisted. I know from some of the private institutions, they will pay for their tuition, they will release them.

But sometimes, if Caymanians can move up the ladder, because we are in an over-employment stage, without having to exert a very large amount of energy to do so, sometimes people take that course and really do not take as much advantage of these initiatives.

So I am very happy that the Honourable Member has raised this, because I think there is a duty on all of us to encourage these people, our people, especially the young ones, to take advantage of what has to be one of the most beneficial and heavily subsidised training and education programmes anywhere in the world, Sir.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you. Just to let the Minister know that I echo the sentiments of the Third Elected Member for Bodden Town. Could the Minister explain, as he mentioned earlier in one of his answers, that there are meetings going on between the principal of the Community College and the Ministry of Tourism. Was that correct?

Hon. Truman M. Bodden: It was not with the Minister, let me point out, but . . .

Mr. D. Kurt Tibbetts: The Ministry. . .

Hon. Truman M. Bodden: . . .with the staff within the Ministry, I understand.

Mr. D. Kurt Tibbetts: Could the Honourable Minister explain what role it is intended for the Ministry of Tourism to play in this initiative?

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, I can only say I hope that we will both play a very active role. It is within an area that is directly the responsibility of the Minister of Tourism, and naturally, anything that Honourable Minister says to me, basically, will carry the heaviest weight anything can. Basically I will carry out whatever he feels is good for the tourism industry to the best of our ability.

The Speaker: First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker. Again, to the Minister, and I know it is a bit repetitious but this is something that is near and dear to many of us, so this line of questioning has nothing to do with anything else. I am just letting you know. So having understood that and my asking the question about the Ministry, the reason I ask the question is because I think it is important for us to understand that there are so many people out there who can really reap the benefits of this initiative, once it is exposed to them. I would ask the Honourable Minister, seeing as the next recruitment time for this initiative is in February, if he could, through whatever channels have to be

used, organise a more embellished way of advising the public as to what was done initially. I will give an example so he will understand why I am asking the question. I know that in George Town, when the people went around in the various districts, I know when they came to George Town, no one showed up. On many occasions, while you think your job is done by doing what you do, you have to go the extra two miles to get to people. So I am asking the Minister, in order to get the initiative really off the ground, if some innovation could be used to try and get more people involved, because lots of times people do not realise the benefits of participation until after it is already gone.

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, I am very happy to give that undertaking. Whatever I do, or we do rather, we will do jointly with the Tourism Ministry and the Tourism Department.

The Speaker: First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you. Since the Minister is happy with that, I hope he will be happy with this other one. Could the Minister also give an undertaking to provide in writing, as I am quite aware that he will not be able to answer now, to provide in writing to us the terms of reference under which the Ministries will work hand in hand in order to achieve success with this initiative?

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, I am very happy to give that undertaking, and I would also ask that Members please, whenever they find applicants, would they please direct them into the College, and that I think would also assist.

The Speaker: Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. The Minister has our undertaking with his last request. I want to bring a matter to the Minister's attention, and ask for his close and careful examination and possible assistance. I have noticed, through talking to some young people who would be interested in this, that many of them, particularly young girls, have a problem, in that they have one child or more already, and so, Mr. Speaker, it comes to the question of some form of assistance while they are enrolled in this programme. I would like to ask the Honourable Minister to tell the House if, while these young people are enrolled in this programme, they get any kind of stipend or financial assistance, and what are the limitations on this?

The Speaker: Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, at present they get \$200 per month, but I think what the Honourable Member is saying — every month — a monthly allowance of up to \$200 per month, so they can . . . But what I think the Honourable Member is saying, over and above that, that some form of child care support and perhaps the Third Ministry, new Ministry that has that, it is something that I would, well, the Honourable Minister is here and he hears what you say.

The Speaker: First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Perhaps, Mr. Speaker, this is a golden opportunity to prove that there are five different Ministries but one Government!

Hon. Truman M. Bodden: Mr. Speaker, I always take these jokes in the way they are given—in a nice, human . . . It is good to see the Legislative Assembly happy, Sir. They produce better and make better laws when they are happy.

SUSPENSION OF STANDING ORDER 23(7)

The Speaker: We have reached the hour of 11.00. I would entertain a motion for the suspension of Standing Order 23(7) in order that question time can continue beyond 11.00 AM. The Third Elected Member for George Town.

Mr. Linford A. Pierson: Mr. Speaker, I so move.

The Speaker: First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker. I beg to second that motion.

The Speaker: The motion has been made and seconded that we suspend Standing Order 23(7) in order that question time can go beyond 11.00 AM. Those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it. Question time continues.

AGREED: STANDING ORDER 23(7) SUSPENDED TO ENABLE QUESTION TIME TO CONTINUE.

The Speaker: Any further supplementaries on that question? No further supplementaries. Question number 185 standing in the name of the Third Elected Member for George Town.

QUESTION NO. 185

No. 185: Mr. Linford A. Pierson asked the Honourable Third Official Member responsible for Finance and Economic Development to state whether, in view of the high

cost of land, Government would consider amending the Stamp Duty Law to increase the waiver of the 7 1/2% stamp duty from C\$25,000 to C\$35,000 in order to assist individuals who qualify for this exemption.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Mr. Speaker, no representations have been made to Government to consider such an amendment, and Government would not normally initiate such a course of action in the absence of compelling reasons to do so. The experience to date with the waiver as it stands suggests that it is operating quite satisfactorily, and quite a number of applicants have benefited.

SUPPLEMENTARIES

The Speaker: Supplementaries? The Third Elected Member for George Town.

Mr. Linford A. Pierson: Mr. Speaker, either the Honourable Third Official Member did not understand the import of this question, or maybe I have not stated it correctly. My question was, Would Government consider amending it? My question was not whether Government had already received representation. To help the Honourable Third Official Member, perhaps I could tell him that the intention for asking this question was not to embarrass the Portfolio, but to try to help the public, because I have received a number of representations, as a representative of the people.

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I understand the importance of the question, and I do appreciate the goodwill of the Third Elected Member for George Town, not to attempt to embarrass the Portfolio. Let me point out that I am quite prepared to put this as a request to Executive Council. But there is some information that I think would be useful to yourself and Honourable Members of this House, Mr. speaker. So far, to date, 133 applications have been approved under the Scheme for the abatement of Stamp Duty. The value of revenue given up under this abatement scheme amounts to \$628,222. The recommendation will be put forward, but it must be borne in mind that when we widen the basis for such consideration to be given, we are really giving up quite a big chunk of revenue.

To date, Mr. Speaker, and I think that Honourable Member referred to this, I am not sure if I am being accurate, but it is recognised in this House that we have a very narrow revenue base. So whenever issues such as this are to be considered, that will have to be taken into account. Probably what we may want to do is to establish a more stringent set of criteria to move the limit from \$25,000 to \$35,000. But this is something that should be examined very carefully, Mr. Speaker, in the absence of

alternative measures being put in place to compensate for the likely revenue to be lost.

The Speaker: Third Elected Member for George Town.

Mr. Linford A. Pierson: Mr. Speaker, I want to thank the Honourable Third Official Member for that assurance that he would consider looking at this matter. He did give some statistics, Mr. Speaker, that to date, I believe I am quoting him right that 133 applications had been approved to a value of \$628,000. That is to substantiate the point that I am making. I know that under the procedures (and I will turn this into a question) that the debt service ratio on mortgages is something like 26.5% with a total of a 40% debt equity ratio.

The point that I want to make here is that at the fixed 3% above prime (and prime can fluctuate a lot) the applicants are experiencing quite a lot of hardship in that land prices are getting more and more expensive. I wonder if the Honourable Member might want to consider increasing the income allowance from 50% for co-applicants to maybe 100% of their income?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I am prepared to put that proposal to Executive Council for consideration.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: I know that what I am going to ask the Honourable Third Official Member responsible for Finance and Economic Development is not part of the substantive question, but since he has indicated that he is going to make a request perhaps he would consider adding. . . I know there is a stamp duty waiver up to \$125,000 for first time home owners. Many people have made representation to me because it is very difficult, especially for middle-income young people to find property and house which will cost less than that. Perhaps the Member would look into the possibility of allowing the waiver up to \$125,000 even if the property costs more than that for that portion of stamp duty to be waived rather than if it exceeds \$125,000 there is no waiver at all.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: As a part of the recommendation to be made to Executive Council, the approach I will take on it is to ask the Economics and Statistics Department to meet with the Lands Registry and modify the level of revenue that would be given up under each stage of the scheme. While it is being considered by Executive Council, I am going to suggest that a meeting also be held with Members of the Legislative Assembly to look at this.

If we extend it as far as what has been suggested by the First Elected Member for George Town, the impact on revenue could be quite significant. It would be very useful for Members of the Legislative Assembly to be made aware of the level of revenue that will be given up to see if there are any alternative measures which can be put in place to compensate for that.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I wish to thank the Honourable Member for that assurance. The reference I made (and I will turn this into a question very shortly) to the fixed 3% above prime which gives an effective rate of 11.25% as stated in the document, we know that this prime rate can fluctuate upwards to any limit and could effectively have a detrimental effect on the applicant. I wonder if the Member would also undertake while looking into this matter to ensure that where there is a fluctuation in the prime rate the overall rate would not exceed, say, 12%; that if there is any adjustment it is done on the over-ride. We know that this over-ride is in respect of the level of risk involved.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: The Honourable Member has raised a very good point. But in addition to mentioning it to Executive Council, I think it has implications beyond a decision being taken. It is a question where we would have to meet with the representatives of the retail banks and probably look to the possibility of the introduction of certain measures to achieve this. It is something that will involve quite a bit of discussion. We will have to look at it very carefully. At this point I will not commit myself to any other understanding other than that it will be mentioned. It will have to be pursued and it is quite likely that this will be one of the points that will have to be discussed with Members of the Legislative Assembly before a final position is taken on that.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I appreciate that undertaking. We do know that the Honourable Member has a lot of weapons he can use when discussing this with the banks because the Government is providing a guarantee of up to, I think it is 35% on these loans. So, I request that the Honourable Member remind the banks of that. Perhaps he would give this undertaking.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: That would be a point that would be brought up quite naturally. But there are other issues the Member realises would have to be considered.

It could even involve legislative amendments to certain legislation.

The Speaker: If there are no further supplementaries the next question is No. 186 is standing in the name of the Third Elected Member for George Town.

QUESTION NO. 186

No. 186: Mr. Linford A. Pierson asked the Honourable Third Official Member responsible for Finance and Economic Development to state Government's policy in regard to the use of contingency warrants.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Section 21(1) of the Public Finance and Audit Law allows for the Financial Secretary to issue contingency warrants which are written authorisations to meet urgent needs for expenditure where no provision or insufficient provision is shown in the approved Budget, and which expenditure cannot be deferred without detriment to the public interest. A contingency warrant, however, is an interim measure and ultimately the approval of Finance Committee must be obtained in order to clear any such warrant.

Currently, the procedure is that the Financial Secretary obtains Executive Council's authorisation for all contingency warrants in excess of \$10,000, except in time-critical situations where it is not possible to do so. In these extraordinary cases, the Financial Secretary will subsequently seek Executive Council's approval to include warrants issued on the next available Finance Committee's agenda.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I wonder whether the Honourable Member is in a position to provide this House with the number and amounts of contingency warrants to date, this year; or perhaps the latest information available to him?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: The number of contingency warrants issued from the 1st January through 24th October is 199 for a value of \$70,521,305. But included in this are 36 warrants issued to cover the second quarter recurrent expenditure for a value of \$40,682,109. This was subsumed in the Budget.

Also included in this 199 is a further 67 warrants that were issued to deal with the continuation of capital projects for a value of \$12,419,376. The remaining warrants that fall outside of this and for which Finance Commit-

tee's approval will be required is 96, for a value of \$17,419,820.

At this time work is being done to identify savings in order to offset a significant portion of this expenditure.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: I figured the Honourable Member would have this answer available. I wonder if The Honourable Member can state whether the 163 warrants that equal something like \$30 million . . . was that amount unbudgeted? You said that was not subsumed in the Appropriation Bill.

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, it was an error on my part. The \$12,419,376 was also covered in the Budget, so the amount that falls outside of it is the \$17,419,820.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Thank you, Mr. Speaker. Under the Finance and Audit Law, I think there is a specified period in which contingency warrants should be dealt with. I wonder if the Honourable Member can say whether this has been complied with; and while I am up, Mr. Speaker, whether he can say, if the period has not been complied with, why not.

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, the period has not been complied with. I should point out at this stage that not to have had a meeting of Finance Committee as yet is not a proper course of action, and in fact it is an imposition on the good will of the Parliament. However, in saying that, I think we will have to look at what took place during the course of the year to date. Members will recall that the Appropriation Bill was not presented to this House until late March. I do not have the exact date, but I think the approval was not completed until late April, first part of May.

Following this, there was a request by Executive Council for an agenda to be prepared, and this agenda would embrace all requests by controlling officers for supplementary funds, in terms of what had come into the Budget and Management Services Department. The agenda was prepared and submitted to Executive Council in July, which would be around two months after the Appropriation Bill had been dealt with.

But it was quite evident to Executive Council at that time that what a significant number of controlling officers had done, amounts that were not allowed in the Budget were included in their supplementary requests, thus making up the gap in terms of what had been approved and what was initially requested. The supplementary agenda,

Mr. Speaker, was so large that the Government took the view that it would be inappropriate to take such an agenda to the Legislative Assembly.

The decision was taken, in terms of putting in place procedures to deal with that, Ministers would ask their Permanent Secretaries to instruct controlling officers to examine very carefully the requests as set out in the supplementary agenda, and to see if it is possible for them to reduce the amount requested or to identify savings.

This procedure went from July into August. When the amended agenda was then submitted to Executive Council in August, it became very difficult following that, because of the commitments of various Ministers of Government to establish a time that would be convenient for all the Members to get together in the Legislative Assembly in Finance Committee.

Although we had a meeting of the Legislative Assembly in September of this year, the problem still obtained that emerged in July, which was that it was evident that controlling officers did not look seriously at their initial requests as were made. In September, while being here, the problem of preparing the Budget for 1998 emerged—not a problem really. Time and attention got focused on that.

As Members of this Honourable House can appreciate, in terms of how time-consuming that exercise is, an attempt to hold a meeting of Finance Committee between that period up through the presentation of this Budget had to be placed in — not a question of diminished importance, but put behind the Budget process as such. This is why we are now at a stage where we are now debating the Appropriation Bill and immediately following that the Supplementary Agenda for 1997. Hopefully the cleanup requests for the year will be dealt with as well.

Because of this, I recognise as Financial Secretary that it is not an appropriate course of action, and in Executive Council I could probably have been more persistent to say that the agenda should have been finalised and submitted to this House. When I come to the Legislative Assembly, in order to convene a meeting of Finance Committee, I like to give Members the assurance that first of all, the agenda has been thoroughly examined.

One of the things to be recognised under the procedures as they now stand under the Public Finance and Audit Law, is that controlling officers have a certain level of independence, whereby if a controlling officer comes forward and sees that I need an additional, for example, half a million dollars, although it can be said by myself through the Budget and Management Services Unit, this is what is available, one of the things we cannot do to the controlling officer is to say that the amount you are requesting is less than really what is needed. So it is all of these factors plus other issues that Members are aware of that are currently under consideration at this time, where the Governor and Executive Council have had to be involved with, while at the same time considering the Budget process. This is what has put us into this position.

In fact, as a solution to this, I spoke recently with the Auditor General, and we have an advisor out from the United Kingdom at this time who is carrying a review of

the Public Finance and Audit Law, and I pointed out to the Auditor General that one of the recommendations that will be made at this time, is to set out in the revised or redrafted Public Finance and Audit Law, that Finance Committee shall be held, on a minimum, quarterly, four times for the year.

So it removes it from what I would call the discretion of Executive Council and it will have to be held. So if there are any items that have been submitted by controlling officers to the Portfolio of Finance and Development, for Executive Council's consideration, Finance Committee must be held at least to apprise the Parliament of the current financial position of the Government.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Mr. Speaker, we want to thank the Honourable Third Official Member for that very comprehensive answer to the supplementary. Recognising that the Third Official Member is indeed the Member responsible for finance, and thus for calling the Finance Committee, I wonder if that Honourable Member can say that under the principle of collective responsibility, he had in fact submitted the agenda as far back as July, and then an amended agenda in August, but that he did not get the okay by his colleagues on Executive Council to bring it forward to Finance Committee.

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, what the Third Elected Member for George Town has outlined is correct, but I cannot excuse myself as a part of that process. I pointed out that the first agenda was submitted in July. It was quite evident that controlling officers had really used that as an opportunity to include items that were excluded, could not be allowed. The amended agenda was hardly an improvement over the first agenda. That was a problem.

Government felt it was imprudent to bring an agenda to the House, because when an agenda is to be brought to the Legislative Assembly—and the Third Elected Member for George Town, being previously in Executive Council, is aware of the procedure. I am just pointing this out to say, first of all, the Government must identify the source of funds in order to cover the additional expenditure, because if such is not the case, the Government will have to determine what measures will be implemented in order to achieve that expenditure.

Executive Council took the view that some of the requests were imprudent, and before they could be put forward, controlling officers should re-examine their budget allocations very carefully to see if it is possible that they could identify areas in which expenditures would not be taking place, or areas where cutbacks could be introduced, in order to make funds available to cover the new requests, or additional requests, that were being put in.

For example, we take Personal Emoluments. When a budget is brought to this House—take for example the Portfolio of Finance and Development—there may be one or two vacancies within the Portfolio that, to allow for the recruitment of two officers, salaries would be provided against those posts, but if there is a need to incur urgent expenditure in other areas, a decision can be taken in order not to pursue those recruitments and to make the monies available.

One of the things I cannot do—let us say, for example, the Finance Portfolio needs to incur expenditure in other areas. Not because savings are available under Personal Emoluments it means that you can spend in other areas. The approval of the Legislative Assembly must be sought in order to move funds from one classification to another. This is where the problem has come about, Mr. Speaker.

As I said earlier, a meeting of Finance Committee should have been held and it was not. We know that quite a number of issues came to the fore that prevented this from taking place, but it is such an important consideration, and it is not one where this Government or any other Government, including myself as Financial Secretary, should presume upon the good will of the Parliament. It is not proper, Mr. Speaker.

The Speaker: First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you. In the substantive answer the Honourable Third Official Member gave, he said that currently the procedure is that the Financial Secretary obtains Executive Council authorisation for all contingency warrants in excess of \$10,000. Could he state if in general — and if he wishes to use the 199 that he just mentioned earlier on he can do so — could he state if in general the fact is that these requests for authorisation come from the various Departments, or if in fact Ministers of Executive Council bring some of those for him to approve?

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, the requests would be initiated by the Departments in question, and they would flow up through the Permanent Secretaries to the Ministers. But before the requests are put to Executive Council the Ministers normally seek the endorsement, or normally have a discussion with the Financial Secretary, and in my absence, the acting Financial Secretary.

The Speaker: If there are no further supplementaries, that concludes question time for this morning. We shall now suspend for fifteen minutes.

PROCEEDINGS SUSPENDED AT 11.31 AM.

PROCEEDINGS RESUMED AT 12.02 PM.

The Speaker: Please be seated. Proceedings are resumed. Debate continues on the Appropriation (1998)

Bill, 1997. The Third Elected Member for West Bay continuing.

GOVERNMENT BUSINESS

BILLS

SECOND READING

THE APPROPRIATION (1998) BILL, 1997

DEBATE ON THE BUDGET ADDRESS DELIVERED BY THE HONOURABLE THIRD OFFICIAL MEMBER RESPONSIBLE FOR FINANCE AND ECONOMIC DEVELOPMENT ON WEDNESDAY, 5TH NOVEMBER, 1997

(Continuation of debate thereon)

Mr. John D. Jefferson, Jr.: Thank you, Mr. Speaker. When I closed my comments at the adjournment yesterday, I was talking about the need for prudence. I must say that — and I believe the people of this country recognise and appreciate the efforts and results of the National Team Government over the past five years, as far as re-starting the economy, getting real estate and construction back on the right track, and attempting as best as possible, to provide those services that we need in this country.

But as I mentioned in my opening remarks yesterday, there are some concerns I have with regard to this Budget, and I will get into them in a little more detail as we go along. At this stage let me look more closely at the specifics mentioned in the Budget Address by the Honourable Third Official Member.

The first area I would like to comment on is the area of the Stock Exchange and the Monetary Authority. I supported the recommendation of consolidating these areas. I believe the decision to establish a Stock Exchange over the years will prove to be a very prudent one, in that it will attract companies to have their stock listed on a stock exchange that operates in a tax-free and stable financial environment. It is costing us quite a bit of money, but we all recognise that before you see a return, there must be an investment. I am positive we will see the type of returns that have been projected in this area, and I look forward to some of those goals being realised.

With regard to the Monetary Authority, and in specific, the Financial Services Department that deals with bank supervision, let me just say that I was the first Caymanian employee of the Inspector of Banks office when that was established back in 1975. While I was with Government, I was exposed to extensive training in bank supervision in North Carolina and Washington, D.C., so I had the advantage of looking at supervision from both perspectives, that is the US and the British approach to supervision. My philosophy has always been that whoever holds a position of managing director, or whatever the term is now, and the supporting staff, have to have

the ability, in-house, to go out and visit banks that they suspect are having financial difficulties. The US approach is that they have their own team of inspectors, and they go in and do their annual inspections or audits themselves, rather than relying on a firm of qualified accountants or auditors to go in and do the job for them, which is the approach we take here in the Cayman Islands.

The advantage of that approach, as far as I am concerned, is that when an auditor goes in, he goes in to determine the financial accuracy of the statements and other supporting documentation of the institution. But the US approach is that they look more deeply into the operation of the bank, that is, they look at management to ensure that there are qualified people in place, and they are comfortable that they are capable of handling the job of running the bank in a very prudent manner. I believe that is the direction, or one of the considerations that has to be given by the Financial Services Division.

When I was in the Inspector of Banks office in 1978, acting as Inspector of Banks, the then Financial Secretary asked me to put my thoughts in writing to him with respect to what I felt bank supervision was all about, and the needs. One of the things I dealt with was the issue of depositors' insurance. I recognise that the majority of our commercial banks here are branches of large banks, so as far as I was concerned, there was not a whole lot of concern from that standpoint, in that I was always under the impression — I think the impression still exists — that if a local branch got in trouble, the headquarters would step in and pick up the liability or make things right. But your individual or private commercial banks, I felt, were subject to some risk in that in the case of a problem, they did not have a resource or a pool of funds to fall back on to assist them. This is why I was recommending that we had some look at the time with respect to the possibility of deposit insurance.

Now in the United States, Mr. Speaker, individual deposits are insured up to \$100,000. So there is some level of comfort as far as depositors are concerned. What people generally do is to ensure that the balances in those accounts do not exceed that amount, to ensure that in case of a problem, they have a good possibility of getting all their money back. I am pleased that some twenty years later, the Financial Secretary has mentioned now that this is an area we will be looking at, that is, depositor insurance, and I look forward with anticipation to see when that is put into place.

With respect to tourism, it continues to make a very valuable contribution to our economy. It is one of the main pillars of our economy. It provides a lot of employment for our people, and funds spent by visitors are enjoyed by all sectors of the economy. But recently there was an article in the Caymanian Free Press with respect to a new major hotel, the Ritz-Carlton, and it was anticipated that it would involve an investment of something like \$100 million. I think — \$200 million, I was corrected, which is even more than I thought — I think we have reached the stage in our development in this country where we can ask ourselves objectively, Do we need another major hotel? The question is, Who will benefit from

this major project? I guess the real estate agents will be very happy, because they will probably make a good commission off the contract or the sale of the property.

The reality is that we live in a society where we enjoy over-employment. That is, we just do not have enough local bodies to go around to staff all the vacancies or positions available in this country. What it will mean as far as I am concerned is probably another 300 to 400 work permits, more strain on our infrastructure, our roads, our health facilities, our available housing, and an increase in the expatriate population compared to the local population.

I do not know if it is the sad part about this whole situation, on the other hand it is an asset as far as I am concerned, in that our local population, that is the Caymanian population, has not been growing at a very rapid pace at all. That is an advantage in one way in that you only have a limited number of people to worry about providing employment for. On the other hand, because it is growing so slowly compared to the demand for expatriate labour being brought in, there are some concerns being expressed by the local residents and Caymanian population here in these Islands. I believe it is a genuine concern, and one that we as representatives, have to address.

I believe that if this project is approved to go forward, it is important that all Ministries involved—and I am aware that there is a piece of legislation being proposed to deal with large projects, and I think this is the right approach to take. I think we need to sit down and look at such projects in a very objective and professional manner. By that I mean that the person in charge of training should be in a position to say, A condition of this new project is that we want you to set aside, in management, four, five or six positions for Caymanians. If you cannot find a qualified Caymanian to do that, one of the conditions would be that you take on some person who has the ability to be trained, train them, and eventually be in a position where they take up their positions in the organisation.

Just recently (in this sitting), the Minister for Tourism answered a question, "To provide a list of positions within each major hotel stating the number of Caymanians and expatriates employed in these positions." I personally was amazed at how few Caymanians we have in top management. As a matter of fact, one of the major hotels (that is the last one that was built here, the Westin Hotel) did not have one Caymanian in senior management! As far as I am concerned it is good to say we have tourism booming and we have construction booming, and everybody is employed, but I believe that it is time that we insist that our people get their fair share — not as maids, bellhops, these areas — but in management.

Every year we have requests, for example from the Community College, for expansion, for equipment and other things the college needs in order to operate. But it appears that there is very little being done to train and to insist that Caymanians who have the ability get an opportunity to serve in top management in these establishments. I have noticed over the years that you get one or

two of the tokens being employed by these major hotels, and because it is a Caymanian say, Well, okay, they are doing something — that is one, compared to about three or four hundred people on a work permit? I believe we have to be in a position where we look very objectively at these additional major projects.

The other condition I would throw out is that they be required to establish a scholarship fund to train Caymanians who are interested in the hospitality industry. I know the Minister of Tourism, about four or five years ago, launched a scholarship for Caymanians who wanted to go into tourism, but I do not think that the burden of training and the expense of training has to always fall solely on Government! We could say, The scholarship fund must be sufficient to train at least two Caymanians on an annual basis. I am aware that the tourism scholarship established by the Ministry of Tourism is something in the region of about \$24,000 a year, which is a substantial amount of money. I believe we should require no less from any additional establishment, and even the existing establishments that are doing business in this country.

I recall one of our themes, that is the National Team's theme, in the 1992 campaign was training—training Caymanians, ensuring that Caymanians had an opportunity. It was amazing how that word got around, because everywhere you went, and you talked to people, people were preparing to make an effort to ensure that they had something in-house to ensure that they could not be accused of not wanting to train Caymanians. But shortly after we took office in 1993, the Chamber of Commerce said, You are being too tight on work permits, you opened it up, and now there is no incentive at all with regard to training, because why should somebody invest in training somebody when they can go pick somebody up by way of work permit and put them in place immediately? I believe we have to assist these establishments in thinking that more has to be done in this area.

One of the things that constantly concerns me (and I deal with it almost on a weekly basis) is the number of calls I receive in regard to gratuities. I know the Minister of Tourism is not responsible for gratuities, but it affects his area of responsibility, that is, hotels and condominiums. A lot of our people depend on employment in these areas. Even in this sitting there was a question asked whether or not management is still sharing in the distribution of gratuities. It is a prevalent practice in the industry! And it appears that no one is prepared to once and for all address the issue and see to it that those people who are responsible for this abuse are dealt with and to ensure that our people who earn these funds through providing their services benefit from this pool of funds which is set aside for that purpose. I believe that if the hotels and condominiums want to bring in persons in the area of management, they should pay them sufficient salaries so that these persons do not have to depend upon gratuities to supplement their salaries.

I know this is a very touchy area to everyone, but I have always been an advocate of controlling work permits. My attitude has always been that work permits must be justified. I understand that the philosophy which pres-

ently exists is that if people did not need a work permit they would not apply for it; so if they apply for it, we must approve it. Now, I do not believe we can continue to have that type of attitude, and we all recognise that there are certain areas where our people do not have an interest in serving. Those areas are areas where we will have to continue to allow people to come in on work permits. There are other areas that our people at the present time are not qualified to fill. But it must all be tied in as a condition with respect to the issuance of a work permit. The time frame should be established with regard to a work permit. In those areas where you can find Caymanians, and you have Caymanians who are interested and capable, who could be trained and qualify, to ensure that gradually our people are put into a position where they can enjoy and reap some of the cream of the crop, rather than continuing to fight among themselves for the pickings or the leavings.

The other thing I have never been able to appreciate or accept, is that in most instances where you have a qualified Caymanian working alongside an expatriate doing the same job, their terms and conditions are totally different. I recall back in 1981-1982, a young lady from my district came to my office and said, "Mr. Jefferson, I just want you to know that I completed my qualification as a new teacher. I am from West Bay. They have stationed me in Savannah, and I work along with the expatriate teachers there and they get mileage allowance, but because I am a Caymanian I am not qualified to get that allowance." The Caymanian employee has to pay for gas like everybody else, so why should there be any difference? These are the kinds of things that constantly annoy me with regard to the system we have here in this country.

In the area of real estate and construction, I want to say that when we took over in 1992 we had a large number of persons, especially in the construction area, that were sitting on their hands—contractors as well as unskilled labour. That is not the case at the present time. Our people are employed, and the attitude of most contractors right now is that they have more work than they can handle. But the thing we have to be concerned about, and we cannot tell the private sector what they should do as far as their contracts are concerned, who to award them to, but I believe that when it comes to Government contracts, I know we have the Financial and Stores Regulations to follow as far as tendering, and that is followed. But I believe that there are additional conditions we should consider, especially for, not massive Government contracts, but the smaller Government contracts, with regard to construction of a value of a million and under, and I am aware that some of these conditions have been put in place, in that it should prohibit your large contractors from being able to bid on these contracts first of all.

The problem we had initially, and I think it has been addressed to some extent, is that a lot of our small contractors were not qualifying because of the mobilisation fee. I believe Executive Council did something regarding this, so there has been some relief in this area. But even

large Government contracts — one of the conditions should be that, as much as possible by way of materials, supplies and even furnishings should be sourced locally. The attitude at the present time is — and you know, our large Government contracts have basically been taken by McAlpine or Hadsphaltic — that we bring in everything we need from the outside, let us bypass these local boys who are in a position to offer a service, and even on a competitive basis, we are going to totally ignore them and bring in everything we need from the outside. I think that is wrong because as a Government and as representatives, we have to be concerned about the welfare of our people.

One of the concerns I hear presently being circulated by people I speak to in regard to large landholdings by a very few of the super-wealthy individuals. We have a few now, Mr. Speaker, we have quite a few of them here who are wielding their influence and attempting to buy up everything that is available. I think we might be a little late for this, but one of the proposals or recommendations that has been offered is that maybe Government should consider changing the policy whereby you lease property on a long-term basis rather than absolute sale of that property. What that means is that maybe it is fifty years down the road, or a hundred years down the road, but at least you have a possibility of that eventually being able to come back for the benefit of the people.

It is becoming much more difficult for the young Caymanian who wants to buy property and build a home in this country to do so. Because he is out there competing with these super-wealthy individuals who have the money to say, Okay, well, they can offer \$20,000 an acre, I offer \$30,000. Our people as a result are suffering because of this condition that exists. The attitude I find hard to accept — and we have it here in the Cayman Islands among a lot of our Caymanians — is that as long as I am benefiting, it does not really matter who else benefits. I think we have to change that type of mentality. We have to be in a position where we say everyone has the right to live and to enjoy the success we have in this country.

It is a well-known fact that any society that can boast of land owners and home owners is a very stable society. At the present time I would hate to be a young person trying to make it in this country as far as finding property, finding financing for a new home, because of the cost involved. I recall back in 1975 when I built my home, and it was close to 3,000 square feet, it cost me C\$30,000. Today the simplest little two-bedroom home costs you in excess of \$100,000. You may say that we are making more money now, but the value of money does not go any further than it did back in 1975, so it is all relative.

It sounds good when we can say we made \$17-18 million off stamp duty on the sale of property, but land is a commodity you do not make any more of, and we have a limited amount in this country. I would implore Caymanians who own property to ensure that they have property available to pass on to their children, and if you do not have a piece of property and you can buy a piece in an area that is still affordable, you better do so, because it is becoming a very expensive exercise. I am one of those

Caymanians who feel good when I see other Caymanians benefiting. That is the way I have always felt. I feel very strongly when I see my people not getting their fair share of what is available.

The area I would like to turn to now is the area of the General Reserve Fund. I think in 1998 we are setting aside another million dollars to General Reserves. I do not think that speaks well for us at all, having a budget of \$274 million, and we can only afford to set aside a million dollars in reserves. We all live under this fallacy that things are going to continue to be the way they are today, two, three, four, five years down the road. That is not necessarily a fact! So we have to be good stewards, and I believe what we should be doing at this stage is not only providing those capital projects and programmes we need in this country on a priority basis, but taking a conscious decision and saying we have \$274 million in this year's budget. Let us ensure that we set aside a percentage — let us say it is 2%, let us say it is 3%, or even 4%— it would be much better than what this reflects, which is a million dollars.

We should take the same approach with regard to General Reserves as we do the Pension Fund for the Civil Service. We have recognised, or somebody came on an air plane to tell us that this is something we have to address. What have we done? We say if that is the case, if this is what has to be done, let us do it! This year I think it is something like nine million dollars that has been set aside, not only Government's contribution but civil service as well, nine million dollars is being set aside for pensions for the Civil Service. But a million dollars for General Reserves.

I would be happy as a representative if at the end of the day when I say, You know something, I am going to pick up my bag and I am going to tell the people thanks for the opportunity of serving you, but I am going to fade into retirement, to be able to say that under our stewardship we were able to put aside \$100 million.

As politicians we have a problem. I made a statement, I think it was during my first term here, that I am not a politician but rather a businessman in politics. And there is a slight difference. Because the only thing a politician is concerned about, one of the things a politician is concerned about, is being re-elected! So what do you do? The four years you are in here you say let us get as much as we can, so when you go to the polls, we look good. In the process we might be broke as a country, but we have all kinds of things to show for it. My attitude has always been, we have to have priorities, we have to recognise what they are, and we need to budget accordingly.

As far as I am concerned right now the priority has to be health, because of the huge investment we have in our new Hospital, and that is going to take a substantial investment. But it is going to be something at the end of the day that we as representatives and as people can be proud of. I am going to go through the list I have been provided with, maybe after lunch, Mr. Speaker.

The Speaker: Would this be a convenient for us to break for lunch? I would remind Honourable Members that there is a planned visit to the Lighthouse School at 1.00 PM today, so I will suspend proceedings until 3.00 PM.

PROCEEDINGS SUSPENDED AT 12.43 PM

PROCEEDINGS RESUMED AT 3.18 PM

The Speaker: Please be seated. Proceedings are resumed. The Third Elected Member for West Bay continuing.

Mr. John D. Jefferson, Jr: When we took the lunch break I was dealing with the general reserves. I mentioned that I thought the \$1 million proposed to be transferred to general reserves this year (1998) out of a budget of \$274 million does not speak well for us. I had an opportunity during the break to ask the Financial Secretary what was an acceptable percentage of recurrent revenue that should be budgeted or allocated to the general reserves, and he said about 2%. That means that in this Budget we should have set aside a minimum of \$5 million for general reserves.

It is also this Government's objective, and any Government that exercises prudence, to try to build reserves to a minimum of three months' worth of expenditure. I did a rough calculation based on what is being proposed in this Budget, and recurrent expenditure is \$203.97 million. That means that if we were adhering to that policy, we would need something in the region of \$45 million to \$50 million in our reserves to fall back on for any unforeseen need for expenditure. At the end of December it is estimated that the general reserves will amount to about \$7.8 million. That amounts to about 15% of what we really need in that account. I believe that any Government, including this one, should exercise prudence in setting aside something for the lean years that must eventually come.

Moving on to the Public Service Pension Fund. I mentioned that it has been estimated (off the top of my head, I cannot recall exactly, but it is an alarming figure) that we are short as far as a pension fund to accommodate those civil servants who will be retiring, and those who have, in a comfortable manner. The balance of the Public Service Pension Fund at year-end 1997 is expected to be \$29.5 million which represents a 33.5% increase in the Fund during the year and a \$23.2 million increase over the past five years.

This is a very positive move as far as Government is concerned. I believe that you need to set aside funds to accommodate persons who give you their service and spend such a long period of time with you. But my attitude has always been, and continues to be, that what we are attempting to do is vest this fund too quickly. We have never been in a position where we could not pay civil servants who have retired. I believe that we will continue to be in a position to accommodate any retiree as far as their pension is concerned. But I believe that this is a long-term objective that has to be funded over a con-

siderable period of time. In this Budget there is \$8.99 million being contributed from Government toward this Pension Fund.

Personal Emoluments in this Budget, as compared to last year, increased over \$10 million. The increase consists of the contributions to the Pension Fund and a few other increases. But I believe that our philosophy in regard to the Budget is all wrong in that every year (and I am aware that this happens) the Financial Secretary, or his Department, sends a circular to Heads of Departments that basically says, 'Try to maintain your proposed increased for the next budget year. . . ' within a percentage, be it 5%, 6% or whatever it is. It is a massive exercise every year. I know it starts sometime in July, and come October/November, they are still grappling with the idea of trying to cut back the requests to a reasonable amount. This year was no exception. But there comes a time when you have to say, 'We only have \$100 million projected for recurrent revenue this year, so we may not be in a position to accommodate the 5% or 6% increase we are normally accustomed to.'

I am aware—and it did cost the Government the election—that if you are not in a position to maintain prudent financial measures and you get into trouble with excess borrowing and deficit financing as far as the Budget is concerned, pretty soon somebody is going to come in and say, 'Here are the rules: Cut the Civil Service by 10% or 15% because you have to get back to a manageable situation.' That happened recently in Turks and Caicos. They had no choice—they were told to cut back their Civil Service by a certain percentage. They had to do it. The reason why they were told to do it is because they are dependent on the United Kingdom for a grant or subsidy. It was dictated to them.

I have always promoted and supported a well paid, efficient Civil Service. But the numbers are really getting too large. The sad part about it is that when you walk through the Civil Service today, there are so few people that you recognise. I know that Government is no exception, they need professionals from the outside, but a lot of the people who make up the Civil Service are not Caymanians. It appears that somebody comes here on contract in the private sector and it is very convenient for the wife to get a job in Government because, first of all, they do not need a work permit, and they are in a position to have two incomes. Mr. Speaker, I do not believe that we can continue to accommodate that type of thinking in this country.

Bearing in mind the difficulty we had in putting together this Budget, what is going to happen to the 1999 Budget and the Budget for the year 2000 if we continue the trend and direction we are going in? An example of what I am talking about—and this is not the first time I have commented on this issue, as I said this in regard to the 1988 to 1992 Government—is that our recurrent revenue is not keeping pace with the percentage of increase in recurrent expenditure. An example is that since 1992, when we took over, recurrent revenue has been pretty consistent, about 12% per year. For 1997, the Budget we just recently passed, recurrent revenue was

forecast to amount to 12.8% increase over the year before, whereas expenditure, that is recurrent and statutory expenditure, amounted to approximately 20%.

It does not really take the Third Elected Member for George Town, who has determined that he is the only qualified accountant in the House, to tell us that if our revenue is only. . .

POINT OF ORDER

(Misleading)

Mr. Linford A. Pierson: Mr. Speaker, on a point of order.

The Speaker: May I hear the point of order please?

Mr. Linford A. Pierson: I said in this Honourable House there were two qualified accountants. I did not say that I was the only qualified accountant. I would like the Third Elected Member for West Bay to withdraw that misleading statement.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: Mr. Speaker, if I did not correctly hear what the gentleman said, I apologise. But I recall hearing him say that he was the only qualified accountant.

Mr. Roy Boddan: He did not say that.

Mr. John D. Jefferson, Jr: If he did not say that, then I apologise, Mr. Speaker. But it really does not take him, or any other qualified accountant, to tell us that if our revenue is only growing by 12% per year, and our expenditure is growing 20% per year that pretty soon we are going to get in trouble. It is as simple as that.

What is difficult for me to accept is that out of a Budget of \$274 million, we can only contribute \$4.03 million from the recurrent side towards capital. If I recall, our capital expenditure projection for 1998 is in the region of about \$35 million. That is capital and capital acquisition (and all the other labels they have, but it is still spending money) which means that if we do not have it in recurrent revenue and we want to spend it, we are going to have to borrow money for it.

Now, when we came in in 1992, I supported our borrowing \$16 million for Cayman Airways. It was a crisis situation and something that we had to deal with, so I supported it 100%. I was very pleased that the financial institutions accommodated the request and we got the money. Shortly after we came in, as I said in my opening remarks, we took a decision as a Government (because the 1988 to 1992 Government was so fiscally irresponsible), that we were going to be very prudent and if we did not have the money to spend, we would not spend it.

I believe that because of that approach we sent the economy and the financial industry in this country the correct signal. Investor confidence returned and the results speak for themselves. We are now experiencing a

financial boom in this country like we have never had. Unfortunately, a lot of us believe that it is going to last forever. The approach is let us get as much as we can and forget about what happens tomorrow. I am a part of the National Team Government, so I am criticising myself in saying that we cannot do everything in one year.

I want to thank the Honourable Minister for Education, Aviation and Planning for arranging the tour of the Lighthouse School we had at lunch time. That is a priority to me. That is an urgent priority. For us to be a country boasting of so much financial wealth and success to have our special needs children continue to be accommodated in that kind of surrounding is totally unacceptable. I am aware that the present Honourable Minister for Education, Aviation and Planning has made this a priority and is moving forward with it. If we have to borrow money for that type of expenditure, I have no problem with that.

We committed ourselves some two or three years ago to a brand new hospital. That is well underway and I think that it is anticipated to be completed in September/October next year. That is a priority. But we cannot do everything at one time. We have four years. What is wrong with doing something this year, and if it does not get done this year, it gets done next year. We have four years to do it. We may have to extend some of these projects over five years. We cannot do everything at one time. I am not comfortable supporting another loan of over \$19 million to balance this Budget for projects which I personally feel are not a priority.

I did not say that the projects that have been identified are not worthwhile or necessary. One of my colleagues was kind enough to give me an outline of the projects in this year's Budget to be funded by the \$19.5 million that we are anticipating borrowing. For example, medical equipment—\$2 million; there is no use in building the hospital and not equipping it. Healthcare Facilities—\$4.9 million to help finish the building of the hospital. There is \$4.5 million for road works. The Drug Rehab Centre—\$300,000; District Post Offices—\$500,000; the new Agriculture Building—\$400,000; an Abattoir—\$300,000; High Schools for Grand Cayman and Cayman Brac—\$750,000; New Primary School West Bay and George Town—\$1.5 million. . . I could go on and on. They are all identified as being very necessary and very valuable projects. All I am saying is let us leave some of these projects for the next Budget.

Some of us have an affinity for good cars, but if I cannot. . . and my ideal car is an Infinity Q45. It probably cost \$35,000 to \$40,000. But I will continue to drive my 1992 Crown Victoria until I am in a financial position to pay cash. I am not going to go and borrow \$40,000 for a new car so that the Honourable Third Official Member responsible for Finance and Economic Development can compliment me. All I am trying to say is that we need to learn to continue to live within our means. I know that I will get a chance to speak on the Loan Bill, so I will not say too much more in that area, but I am really concerned.

We have always said, and always used our Caribbean neighbours as examples of (should I say?) unwise

fiscal management. I am concerned that if we are not careful we could be headed down the same path. I want us to be in a position to continue to enjoy the financial independence we have in this country for many years to come. Unfortunately, the demands that we have placed on us as a Government. . . because a lot of the previous governments did not do what they were supposed to in ensuring that some of these programmes were put in place, . . . but I believe that if the National Team Government did not do another major project between now and the year 2000, we could continue to enjoy success at the polls. People recognise what we have done. They recognise that we have provided facilities and programmes that we need in this country. They have been good investments.

I am an avid sports fan. This is an area in which I have a great deal of interest. I want to applaud the former Minister for Sports for his five years in that position and for his commitment to providing the proper sporting facilities that we needed in this country. Today we can boast of some of the most modern facilities of any place in the world. That is good. The investment has paid off. Our national basketball team has done very well. Just recently I accompanied them to Jamaica to attend the Caricom Games. Many Caribbean countries competed. Overall, we ended up fifth in the competition. A lot of the other Caribbean countries, such as Jamaica, brought in players from all over the place. . . some whose grandparents were Jamaican, and took advantage of the situation. But our boys held their own. Why? First of all, we put in place through our commitment to sports, a national coach for basketball who has implemented a programme that has worked. If any Member of the House has time, they should go by the Lions Centre any evening. The boys and girls are there practising and getting ready to compete.

One of the things we still need in this country, one which I am prepared to push for, is a proper indoor facility for our sports—basketball, volleyball, boxing, etcetera. I am going to push for that because I think it is very necessary. I believe that it is long overdue.

When we travel around. . . and we have a tendency here in the Cayman Islands to look down on some of our Caribbean neighbours, for example, Jamaica. But the other day when I went to the Caricom Games, I was very impressed with their indoor facilities for basketball. I think it cost them several million dollars to do it, but they had the commitment and they did it. That investment has paid off.

We can boast of modern healthcare facilities in every district. That speaks well of the Government. But it took time. I have been advocating the one for West Bay since 1988. This is 1997. That is some nine years, but we finally got it because the Budget was able to accommodate it.

The note I want to end on is: let us move cautiously. Let us continue to exercise financial and fiscal prudence. Let us continue to adhere to the policy of living within our financial means, rather than continuing to borrow money

just to get things we feel are priorities, because some day somebody will have to pay for those loans.

The Speaker: This may be a convenient time to take the afternoon break. Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 3.50 PM

PROCEEDINGS RESUMED AT 4.18 PM

The Speaker: Please be seated. Proceedings are resumed. Debate continues. Does any other Member wish to speak? (*Pause*) Does any Member wish to speak? (*Pause*)

The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Mr. Speaker, I am not rising to speak, Sir. I am just asking for your indulgence. It is near to that hour, and I do not know about the rest of the Members who have not spoken, but I certainly would like an opportunity to speak. I do have a commitment this afternoon, and I would crave your indulgence, if the rest of the Members would accept, that we close proceedings for today and start again at 10 o'clock on Monday morning.

The Speaker: If it is the wish of the House, I will entertain a motion for the adjournment.

The Honourable Minister for Education, Aviation and Planning.

ADJOURNMENT

Hon. Truman M. Boddin: Mr. Speaker, I am always happy to assist the Opposition when they get in trouble, so I am very happy to move the adjournment of this Honourable House until Monday morning at 10 o'clock.

The Speaker: The question is that this House do now adjourn until 10 o'clock Monday morning. Those in favour, please say Aye. . . . Those against, No.

AYES.

The Speaker: The Ayes have it.

AT 4.21 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM MONDAY, 24TH NOVEMBER, 1997.

**EDITED
MONDAY
24TH NOVEMBER, 1997
10.21 AM**

The Speaker: Prayers by the Third Elected Member for George Town.

PRAYERS

Mr. 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed. Questions to Honourable Members/Ministers of Government. Question No. 187 is standing in the name of The Third Elected Member for Bodden Town.

**QUESTION NO. 187
(Withdrawn)**

Mr. Roy Bodden: Mr. Speaker, I crave the leave of the House to have this question withdrawn, seeing that the information has been gleaned from an earlier question.

The Speaker: The question is that Question No. 187 be withdrawn. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it

AGREED: QUESTION NO. 187 WITHDRAWN.

The Speaker: Question No. 188 is standing in the name of The First Elected Member for George Town.

QUESTION NO. 188

No. 188: Mr. D. Kurt Tibbetts asked the Honourable Minister for Agriculture, Environment, Communications and Works to give an update of the work being done on the Harquail By-pass, including costs to 30th September 1997 and projected total cost.

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Mr. Speaker, Public Works Department has completed the upgrade works on the project, and is currently working on the sub-base layer. This stage of the project involves filling up to 8 inches below the finished level of the road. Public Works Department is currently approximately 75% complete with this activity. Other activities in progress include installation of drainage culverts, installation of utility pipes, and preliminary clearing and preparation for installation of the signal at the northern end of the project (West Bay Road Intersection).

Total project costs up to September 30th were \$3,941,795. Projected completion costs are approximately \$5,400,000. This includes the paving of two lanes and installation of the signal at the West Bay Road Intersection.

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister say if the projected completion cost of \$5.4 million includes the other activities he mentioned in his substantive answer, that is the installation of drainage culverts, installation of utility pipes and clearing and preparation for installation of the signal at the northern end of the project.

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I would think yes, because the project as pointed out here is \$5.4 million and as I mentioned a few days ago in answer to another question, we are going to save quite a bit of money on this which we will be diverting to do some other works here in George Town.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: In the substantive answer the Honourable Minister stated that Public Works is filling up to 8 inches below the finished level of the road. Can the Honourable Minister just fill us in as regard to what happens after that part of the project is completed?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: The final part of the road which includes the paving of the road will then be applied.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister say how much, if any, money went to compensate landowners for land used in this bypass?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I do not have that information here with me, however it is no problem to supply that to the Member asking the question.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Minister state if this amount forms a part of the total as he has given in his answer?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: The answer I gave said "**Projected completion costs are approximately \$5,400,000.**" As I said earlier, it was my understanding from the Public Works Department and in an answer given a few days ago that we had a savings on it so therefore, I would think that the figure we are giving here would be the cost of whatever the road is going to take us up to that point.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Would the Honourable Minister give an undertaking to provide the information as to compen-

sation for the land used at his earliest possible convenience?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: In the last answer I gave, I stated it would be no problem to provide that to the Member asking the question.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister tell the House if any part of the project is going to be sub-contracted out to any private contractors?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: As we are all aware, the Public Works Department does not presently have a hot mix asphalt plant. Therefore, that section of the road will definitely have to go to somebody in the private sector.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Minister state if the tendering process has been completed?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: It is my understanding from Public Works Department that the road will be completed at the end of December. It is also my understanding that the only asphalt concrete company on the island will be doing the job. So I do not see, even if we are hoping to complete at the end of December, us going out to tender because there is only one company to deal with it.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: So that the Honourable Minister will understand, the reason I asked that question is because they have a projected cost of \$5.4 million. I simply wish to find out if a quote had been received even if it is not by the tendering process and by the only company who can do the job.

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I guess that is exactly why we could have a projected completion cost at approximately \$5,400,000. There is one company, and there is no problem getting a quotation for the cost of the project because there is no other for us to go to.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: With the pending completion of the Harquail Bypass, I wonder if the Honourable Minister could state if there are any future or immediate plans regarding any further road works along the West Bay peninsula?

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: It is a good thing that the First Elected Member for George Town is my good friend, because he is aware that he is straying far from the original question. As he is quite aware, we have done quite a bit of work along the West Bay Road in recent times.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: So that the Honourable Minister can understand the line of questioning, what I was trying to determine was if there are any plans for any major road works—not existing roads—new roads along that area.

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I was trying to be polite. It is straying from the original question and if my friend has any further questions to ask me on this, it will need to be in a substantive question.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker. I will certainly take the Honourable Minister's advice and he will receive that question in due course.

The Speaker: If there are no further supplementaries that concludes Question Time for this morning. The next item is Government Business Bills, Second Reading on The Appropriation (1998) Bill, 1997. Continuation of debate thereon.

Does any Member wish to speak? *(Pause)* Does any Member wish to speak? *(Pause)* The First Elected Member for George Town.

GOVERNMENT BUSINESS

BILLS

SECOND READING

THE APPROPRIATION (1998) BILL, 1997

DEBATE ON THE BUDGET ADDRESS DELIVERED BY THE HONOURABLE THIRD OFFICIAL MEMBER RESPONSIBLE FOR FINANCE AND ECONOMIC DEVELOPMENT ON WEDNESDAY, 5TH NOVEMBER, 1997

(Continuation of debate thereon)

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker.

I can easily see with the vast numbers the Government has . . . the way they can set the stage for whatever they wish to accomplish. It is also very heartening to see that some of them can do this without even smiling. Oh, he laughed. All right.

The Budget Address delivered by the Honourable Third Official Member responsible for Finance and Economic Development certainly deserves various comments from Members. Mr. Speaker, before I really begin, I wish to crave your patience during the course of my contribution because there are several areas in my line of argument where I will need to quote from various documents. I trust that, given a bit of time, you will see the relevance. I just wanted to let you know that before we got going.

Going through the Budget Address the first area I wish to get out of my way is the area where he mentioned the Monetary Authority. The Financial Secretary said in his Budget Address that **“the Monetary Authority has a very important regulatory role to play in the smooth functioning of the financial industry.”** He went on to say, **“In fact, in recent weeks its role as custodian for the industry was highlighted when it took the hard but very necessary decision to recommend that Executive Council revoke the licences of Gulf Union and First Cayman Bank.”**

I am not quite sure what approach the Government is going to take, having experienced the difficulties it has in regard to the closure of those two entities, but if my understanding of the Monetary Authority is correct, then I think that, first of all, the Government has to take a very serious look at the autonomy of this Authority. The way that I understand it, the Monetary Authority has as its Chairman the Honourable Financial Secretary and that Authority simply reports and makes recommendations to Executive Council which makes the final decision on whatever those recommendations are.

Members of Executive Council having directorships in financial institutions was mentioned, and people have varying views as to whether or not this should be allowed. But regardless of whether this is allowed or not, I hold the view that if the Monetary Authority is to function with the expertise it has, then certainly it has to retain a certain amount of autonomy. That is, the chairman, in my view, should not be a Member of Executive Council, and secondly, I think the Authority should have the same word, the authority, to act on its findings and not simply to have any political thoughts be part of any decision-making process.

Those who do not subscribe to that train of thought are going to say that the Executive Council is the policy-maker, so the final decision should rest with the Govern-

nor-in-Council. If that is the case, we need not have the Monetary Authority. We would simply need some little choirboys who can gather all the information and throw it in their laps and let them decide what they want to do. But I know that they know that is not the case. So I would implore the Financial Secretary to address this issue, and I am sure that he certainly has the ability to see the wisdom in making some types of changes with regard to the operation of the Monetary Authority.

As he mentioned regarding the Monetary Authority, Mr. Speaker, he spoke about First Cayman Bank and its closure. There has been much debate, much talk publicly about the closure of First Cayman Bank, and there have been varying views regarding the stewardship of the Government in the way the matter has been handled. For the sake of the listening public, I believe it is important that they know the truth about the matter. While I believe the Government has to be very careful in the way it handles this situation, because of the wider-reaching ramifications, I firmly believe that as far as possible, it should continue to let the public know exactly what is happening.

I was looking for a document which I will find, but—there are two things which come to mind regarding the closure of First Cayman Bank and the revocation of the licences. Quite recently, the Bahamas announced that the domestic depositors at Gulf Union Bank in the Bahamas, which was closed down by the government, would be protected. I think the government has given an indication that depositors who have deposits in Bahamian currency are not at risk. It is my view that, bearing in the mind the situation that obtains in the Cayman Islands, the Bahamian government has made this decision in an attempt to upstage us, since we are naturally the competition they face in the region. I think it is important that Government look at this situation very seriously.

Since all of that occurred, I think by now we all know that the tenth largest bank in Japan has failed also. On Monday, November 17th, a week ago, a major Japanese bank collapsed. There is an article regarding this collapse, Mr. Speaker, and I just wish to quote two short sections regarding that collapse. I think it is important that Government also take a look at this view.

The article reads, **“The deputy US Treasury Secretary, Lawrence Summers, and the Japanese Finance Minister, . . . today expressed concern about the fall in the value of the yen. When [this bank collapsed], the Japanese government immediately intervened after its failure. It extended emergency Central Bank loans and arranged for another bank, North Pacific Bank, a regional institution based in northern Japan, to take over the failed bank’s deposits and outstanding loans. Mr. Summers hailed the intervention by the government on the failed bank, and said that the market’s response appears to confirm the importance of decisive action.”** That market’s response that he referred to was the Nikkei index, which had seen a continuous fall for quite some time, but with the government’s quick decision, investor confidence was restored, and on the very day of their announcement regarding

what they were going to do, there was a serious upsurge in the market trends there.

While that does not exactly parallel the situation we face in Cayman, I think it is important that Government ensures, by closely examining the wider ramifications of the situation, that we do not have a continued fallout here. Several things have happened since this problem with the First Cayman Bank and Gulf Union Bank. I think, more than anything else, through rumours, there was a problem at British American Bank, which has steadied itself. Thank God that was not very serious. But I think we have to be very careful, because if I am hearing it right, there are still some people outside of us who are nervous about what is going on here.

Personally, I do not think it is a serious matter we face internally, but I think it is a serious matter for us to ensure that in the eyes of the world-wide public, we are still seen to be the stable economy that we are. Government cannot take this situation lightly. I am not suggesting they are. I am reinforcing the issue to ensure that they do everything possible and be open about their actions, so that the world at large will still have the good faith they have had in the past about us.

It is not good enough for us to hope that it will fall away, because I do not think it will. I know there are processes which have to take their course. There is also a liquidation which is going on. But I would implore Government to keep a hands-on approach to ensure that nothing else goes wrong, because in situations like this, whatever can, will go wrong.

As the Honourable Third Official Member stated, and I quote, **“Investor confidence is central to the continuing success of a well-nurtured financial industry. If this is eroded, then there will be rippling effects throughout all sectors of the economy. . . Not only would the financial industry suffer, but the vitally important tourism industry would also be seriously affected. With the twin pillars of the economy weakened, a series of economic and other problems would ensue including high unemployment, flight of capital and a marked drop in the standard of living.”**

That was two mouthfuls that was said, not one. I quoted that just to say that if we make any mistakes here that are long-lasting, all the fears indicated by the Honourable Third Official Member could well become reality. It will not be any good for us afterwards to be blaming each other as to whose fault it was, because all of us will be in the same boat. Let us make sure that we are diligent about this matter, and even if some decisions are hard to make, once we know they are the right decisions, let us make them. Let me say for now that I firmly believe there are decisions that have not been made yet that will have to be made, and they had better be made fast. I will not elaborate on that.

The Honourable Third Official Member also mentioned, as he went on, regarding the introduction of a depositors’ insurance scheme to help provide protection to depositors. He mentioned that it is likely a bill will be introduced at this meeting of the Legislative Assembly to introduce the scheme.

I noticed while the leader of Government Business was making his contribution, he mentioned something about the Opposition not having brought any bill to this House regarding something along the lines of depositors' insurance. In my view, it does not matter whether it is the Opposition or the Government that deals with matters such as this, and I would suggest to him very seriously that he and others stop living in a world where they have to find somebody to blame, and start thinking about what we should continue to do in the future to make things better. That was not to take a jab at him, Mr. Speaker, but he well knows the attitude I am talking about.

So it is heartening to know that the Government is thinking seriously about doing something about depositors' insurance. This is another lesson in the learning, and I have said more than once, and I will continue to say, it is time for us to be pro-active and not re-active. We seem to have this uncanny knack that something has to happen, bad, for us to do what is right. Hopefully another lesson in the learning may lean us towards addressing issues before something bad happens.

As we go further into his Address, we note where the Financial Secretary made mention of one of my pet peeves. He set the stage by talking about Asia. He said, **"Asia has been in the spotlight in recent months because several countries have been experiencing financial market pressures in that region. These pressures have been most acute in Thailand where the existence of large external deficits and fragile banking systems have affected investor confidence, leading to a sizeable depreciation of the Thai currency, the baht. Neighbouring countries—the Philippines, Malaysia and Indonesia—have suffered adversely from the Thai crisis."**

Then he said, **"Mr Speaker, the Thai government moved swiftly to formulate a Medium-Term Policy Strategy to help restore confidence in its economy and maintain economic stability."** I am sure that when he was reading this, he was thinking about me. I will bet him any money he was! He said that because these people in Thailand were having serious problems, **"they moved swiftly to formulate a Medium-Term Policy Strategy."** I would equate that with what we now know and dream as the Medium-Term Financial Strategy, which has been talked about for so long, but which we have not seen.

Mr. Speaker, I have to deal with that because for four years now I have been asking when we will see this become a reality. In good faith, the Financial Secretary has answered each time with what he thought, I believe, to be a real situation, and we have had at least four different time-lines for when we were going to have delivery of the goods. We have received a delivery date this time again. I am sure he will frown, but I know the nature of the man, and he will not hold it personally against me. But as of now I have to see it to believe it.

I understand from what has been said on other occasions that there have been at least four, if not five or maybe six revisions, because the Medium-Term Financial Strategy has been developed, and it is exactly that: a

medium-term strategy, which means that when you develop it today, if you do not exercise it, and you go back at it two years from now, you have to make changes because that time has passed, and what was seen two years before as medium-term is now present. So it leaves me begging the question, If so much time and energy have been placed on preparing such a strategy, and continually revising it, why has it not been brought here?

I will not venture a guess as to why. All I can say is, someone has sinned somewhere, because some bright person once said, **"For the lack of vision, a nation perishes."** I believe we will if we do not find that vision. There are some people who will believe that I, for instance, would just cling to that just to have something to argue about. Let me tell you something, Mr. Speaker. I realised quite some time ago that this world is changing, and changing fast. And even with the best of visions, it is difficult to keep up. But with no vision, you are dead before you start. We have to find that vision. We have to plan.

Since we are talking about that, Mr. Speaker, now is as good a time as any, I believe, to address a few issues with the contribution made by the leader of Government Business. He need not get excited because whatever I have to say I am sure he will accept is in good faith and certainly hoping for things to be better.

First of all, in his contribution, the Honourable Minister mentioned, regarding Education, the good results that continue to come in each year on exams. That is very heartening, and I am happy for those students who continue to be successful within the system. The Honourable Minister must not think for a minute that I am just being picky. But if the Honourable Minister thinks back, he will know he has heard me say this over and over and over again. Every year when we have those exams, Mr. Speaker, even as good as they are, or the better they get, we still have a certain amount of students at the bottom end who are left roaming the wilderness.

Ten years ago, there were so few of them, you could pretend they did not exist, because they were scattered and dispersed widely enough within the society that they were contained well enough that the worry was not so great. But misery seeks company at all times. And as the years have gone on, those people I am talking about continue to multiply. And because they are miserable, they find each other.

It is a sore topic, and it could easily be that some of us might prefer not to address it. Regardless of what type of educational system we have, regardless of how well the public system performs by way of results, regardless of how affluence allows for private schools to function well, if the top end of your society is functioning well, and the bottom end continues to falter, you are going to get your feet kicked from underneath you. The threat we have in this country today from that single area is worth us channelling all of our energies in that area to do something meaningful about it, and it is not something that will be accomplished overnight. But the longer it is left, the wider the cancer spreads.

The crime, the children without fathers, the broken marriages, the unwanted children—that is where all of that is coming from, and it is going to ruin us if we leave it alone. This may be a Budget debate, and somebody might wonder where I am going with this. But there is reasoning behind it because if we do not get the vision I am talking about to deal with that specific situation in a positive manner, then all the budgets in future will not mean a thing, because we will not have a country left. We cannot sit here and believe that because we can leave here every day, get in the car, go where we have to go, and then cock up and relax for the rest of the evening, that life is fine. It is not! It is far from that! And the sooner we understand and accept the responsibility that we have to do something about it, the better off we are.

So to move on, let me just summarise that area by saying—and I am not pinning this on any one individual, because that is not the case. The fact is, all of us are responsible for it. If we are talking about education, we must find the means to educate all. We must find the ways to have all of our people with the right amount of self-esteem and the right amount of drive to be somebody in our society, and to participate as responsible citizens, and it is not happening. I do not wish to hear the usual crap about what this one did not do in the past, and what this Government did not do. That is hogwash! It is sick! Today is today and tomorrow is coming, whether we like it or not. Let us stop talking about what did not go right, and let us sit down and do something about it now!

In the area of education, the Honourable Minister for Education mentioned the urgent need to have new premises and a new facility for the children at the Lighthouse School. I am not going to be arguing about that this morning. I just want him to know that speaking for myself, I fully understand and recognise the dire need to have proper facilities for those children. I just take this opportunity to say, I hope when the time comes, we go to deal with this issue. And it is going to take all of us in here, not any Government and Opposition, that is for when it suits. There are times when that does not matter. That is one of them.

I hope when we go to deal with that issue, all of us are able to deal with it with open minds, because if we do not have that ability, we will find what happened before. If we go back just a year ago, we found each other blaming each other for something not being done about that. The Government blamed the so-called Opposition for making it a political football. The Opposition had some problems with the way the situation was being handled by the Government. Money was approved, but nothing was done. It was an election year, and I understand what happened. As the Honourable Minister stated in his contribution, this is not an election year, so let us get some stuff done. I am right with him on that. Let us see if we can get it done!

Mr. Speaker . . .

The Speaker: Are you going to a new topic at this time?

Mr. D. Kurt Tibbetts: Yes, Sir.

The Speaker: Would this be a convenient time to take the morning break?

Mr. D. Kurt Tibbetts: Yes, Sir.

The Speaker: We shall suspend for fifteen minutes.
PROCEEDINGS SUSPENDED AT 11.15 AM

PROCEEDINGS RESUMED AT 2.57 PM

The Speaker: Please be seated. Proceedings are resumed. The First Elected Member for George Town continuing the debate.

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker.

Before I continue, I wish to call to your attention that we do not have a quorum. Regardless of whether they want to listen to me or not, I think we should start with a quorum. So, if you do not mind, maybe we could get one before we start.

The Speaker: Serjeant, will you call the Members please?

(Pause while Serjeant-at-Arms summoned Members to Chamber)

The Speaker: The First Elected Member for George Town, please continue.

Mr. D. Kurt Tibbetts: Thank you.

I could have been sorely tempted about discussing time-wasting tactics, but I will not do that this afternoon. When we took the break, I was making reference to some of the areas in the contribution made by the Honourable Minister for Education, Aviation and Planning, Leader of Government Business. There are just a few more that I want to refer to, then I will get on with my main contribution on the Budget Address.

First of all, I cannot leave alone what the Honourable Minister said about the Opposition. **“And what I would like to ask, and unfortunately, so far we have not really heard this, it is all well and good for persons who regard themselves as Opposition to criticise, but my question is always, where are the solutions? In this life, anybody can criticise. But I am asking that they now come forward constructively with solutions to the problems. The country does not want to hear a lot of talk that is just tearing the country down, they want solutions.”** (*Hansard* 13th November, 1997, page 557) Then, Mr. Speaker, with nerves of steel he said, **“This is what the National Team and the Government has done, and it is a duty on a responsible Opposition to be constructive and produce solutions. I am still waiting to hear those solutions when the other two Members get up later on.”** Of course, he had to cap it all off by saying, **“and we continue to do this, extending the olive branch and trying to get them into a constructive mode.”**

The Leader of Government Business has been here a lot longer than I have, and I do not know what his idea of being constructive is, but in my five years here, I have found him talking about other people more than anything about what the country needs. I have not been the one doing that. I do not mind if that is the way he wants that now, but I really do not subscribe to him telling me that that is not what people like me have been trying to do all along. You know—I will not say that yet, I will wait until it bears more merit as we move on.

In part of his contribution, the Leader of Government Business, in talking about the finances of the country, mentioned a few figures. I just wish to clear the air here so that no one in the public is misled. When he spoke about general reserves and the Pension Fund, he went on to say, **“The position has to be looked at from a point of view of the fact that the debts, or the borrowing this year (this year meaning the year 1998) which is at about \$19 million [\$19.5 million is what it is] which I doubt if we will really borrow that amount. . .”** Before I get on to the figures, let me just talk about the fact that the Honourable Minister stood up and said **“which I doubt if we will really borrow that amount.”** I have been arguing for years that it makes no sense to bring a Budget into this Honourable House if the Members who are part and parcel of making that Budget know that is not how it is going to be.

So the Honourable Minister gets up and says that the borrowing is going to be \$19 million. I am giving a slight correction, it actually calls for \$19.5 million in the document. But immediately, without taking a second breath, he says that he doubts that amount will be borrowed. What that tells me is that he and others know different, but still bring it here presented the way it is. Now he, or whoever else comes afterwards can argue all they want, I am going by what he said. They can tell me what it meant when they have the opportunity. It seems to be an unimportant point, but I still contend that at the end of the day, when the process is supposedly completed, it is known that as figures are presented to Members of the Legislative Assembly within the Budget Document that at the end of the day that is not how the figures are going to be. Ever since I have been here, that has proven to be true. So I wonder what is the sense in having it.

Since I am right at that juncture, let me use a very pertinent example in my opinion. In the Budget document, on page 276, 26-500-1, “George Town Hospital—continuing construction of George Town Hospital.” The Estimate for 1998 is \$4 million. The projected Estimate for 1999 is \$3.5 million. I know there are other figures within the document which allow for the purchase of equipment and the like. I understand that these two figures are the actual cost of construction for the Hospital.

Now if memory serves me right, completion date set for the Hospital is August of 1998. I may not be perfectly right, but they are still going to have something to answer, I can promise. If the Hospital contract calls for completion in August 1998, regardless of what the conditions are and what amount has to be held back until they make sure everything is fine, I want to know which con-

tractor is going to wait until 1999 to get the other \$3.5 million! What that says to me is that before too long, they are going to come back to Finance Committee for supplementaries to pay out the contractor for the Hospital when the job is completed. If that is totally wrong, then let them clear the air and tell me that.

That is only one example, Mr. Speaker, and in my opinion, there are too many areas like that where the Government knows better and knows that it will not work like that, but to bring something that is palatable, that is the way it is done. It comes back to something I said much earlier, it comes back to reactive Government, not pro-active Government, Government with no vision.

You see, it could well be said that from the point of view of any Opposition, they have to find fault with what the Government does so they can be seen to be doing their job. That is partially true, and I understand how it is because I live it. But believe me, I do not just spend my time looking for what is wrong to be able to find something to row about! I do not! I am not known as one of those who passes on a lot of congratulatory remarks to people, but I also do not think I am known as one who just likes to find fault. I have contended for many, many years, relatively speaking, that it is wrong, it is wrong in every sense of the word, to bring the Budget to this Parliament, to debate it and go through the process of Finance Committee, and expect each and every one of us to support the Budget that comes to us, when there are so many areas within that Budget, that the people who prepare the Budget know full well, that before the end of the year is out, the whole picture is going to change. It has to be wrong! If it is not wrong, then we should change the whole system, and plebes like me do not need to participate in it, and the bigger boys can just do what they please!

But you know, one of these days that is going to change, if I am around or not. Somebody is going to have good sense one of these times. Either that, or enough things are going to happen which are a direct result of doing it in that way, that will force people to do so. And I pray God that the second one is not what happens.

Mr. Speaker, after the Honourable Minister says, **“which I doubt if we will really borrow that amount,”** he goes on to say that the repayments of that are \$17.5 million as set out in Table 2A. What he means is that when we borrow \$19.5 million in the year 1998, our repayments for the public debt will be \$17.5 million, so that the net borrowing is only about \$2 million.

And here is how he makes it so nice and easy so people can understand, so that the net borrowing is only about \$2 million, give or take interest—no big thing, just a couple of dollars—give or take interest. And how much of the repayment of \$17.5 million is actually principal, and what is interest? By inference—and I am going to come to the main point, Mr. Speaker—the Honourable Minister is saying to the public, *‘Look fellas, don’t worry about that. We’re borrowing \$19.5 million, but don’t make them other fellas scare you at all that we should be careful. They don’t understand how this thing works. We are borrowing \$19.5 million but we are paying back \$17.5 mil-*

lion, so give or take a few little dollars, the truth of the matter is, we are only borrowing \$2 million.' That is what that tells me! But you see, in matters like these, while I do not claim expertise, trends are something you have to pay attention to. In 1995, the country paid back to its debt \$6 million—I want to make sure of what I am saying here—in 1995, total repayments on principal the country made for its debt was \$11.2 million. They also paid \$4.1 million, nearly \$4.2 million in interest. In 1996, they paid back \$6.7 million of principal, and \$3.5 million of interest. The estimate for this year, 1997, is that \$9 million will be paid back on principal, and \$4.8 million will be paid back in interest. That means you can almost, as a lawyer would say, generally speaking, use a ratio of two to one to what you pay on principal to what you pay on interest.

So if we are paying back \$17 million in 1998, you could feel comfortable to say that somewhere between five and six million dollars out of that is going to be interest. So the couple of little dollars being mentioned, give or take, is somewhere in the vicinity of \$6 million. I really hope that is not how lightly some of us treat money. As the figures show, the estimated balance of total loans for 1997 is \$82.4 million. If we are borrowing \$19.5 million, that carries it over the hundred million dollar mark, that is \$102 million. But to be fair, we will take off \$10 million that will have been paid down on principal for existing loans and the new loans. So instead of \$102 million, it will be \$92 million. That is still \$92 million.

What that does not say, and what I do not know, is part of the country's total public debt includes self-financing loans, which are mostly engaged in by the statutory authorities, whereby they actually, on the majority of occasions, are able to make the repayments, but Government has to guarantee these loans, so while it is a contingent liability, Government still holds the ultimate responsibility for these loans. I do not know if any of the authorities are going to be engaging in any more loans during the course of 1998. It is not impossible, but I do not know that. So when I say that at the end of 1998, in truth and in fact, we are looking at about \$92 million, that is with some unknowns that I cannot guess from here. So I really do not know. It is important for us to understand that position.

I remember hearing someone say recently that as time goes on, everything becomes relative. That is quite true. But relative or not, we see a trend here. In 1996, borrowing exceeded \$22 million. The estimated borrowing for 1997 will again exceed \$22 million. What is proposed in the Budget document so far for 1998, and we do not know if anything else might come, is \$19.5 million. I want to add something else so we can really get a perspective of where we are headed, and what we have to be careful of. If the Government listens carefully, I am not just trying to find things wrong. But we have to understand exactly where we are going.

As of now, with what we have to work with, we are looking at the end of 1998 with a total public debt exceeding \$90 million. In the Minister's contribution, when he was talking about Cayman Airways, I have to quote him again, Mr. Speaker: **"In 1993, the audited accounts**

showed the current liabilities remaining after the \$20 million cash was put in was \$19.3 million."

I quote him again. He is talking about Cayman Airways now. **"I have over the past few years repaid \$1.75 million at \$50,000 per month. But Members will see that there is a sum in the Budget for \$1 million which is in there and will be used to repay the pre-1992 debts of Cayman Airways."** There we go again! We have to go back and dig up all who were wrong. We are not looking solutions here it does not seem like. The position after the \$20 million was put in, in about July of 1993, all of which went to pay past debts—I will even read it for him if that is how he likes to hear it—**"The liabilities that remained, as can be seen, and I have copies of the audited statements, after the US\$20 million was put in, showed that the remaining amounts after that was put in were \$19 million."**

Here is the beauty now, Mr. Speaker. He steps back, he takes a breath, and then he lands it on us. He says, **"There is no way that Cayman Airways can pay off that extra \$19 million. Let us not kid ourselves about it."** What he tells me is, "Look out fellas, whoever it was cause all this problem don't really matter any more. We got another \$19 million we gonna have to pay off." That is what he is telling me! And that is what he is telling this country! You see, he talks about solutions, and that we must find them. I want to know what kind of solution it is to continually talk about whose fault it was.

Now again, I have never been a part of any Government, Mr. Speaker, I have only had the opportunity, which I am very grateful for, to be a representative of the people, thus far. But it does not matter where those losses occurred to me right now, and when it happened. It matters to me why, so that at least the same thing does not happen again. We need to understand that. But the fact is, those losses exist.

So while if we wish we can push this other \$19 million aside, we just got our first warning that this is coming, fellas! "We put a million dollars in the Budget this year and we want to make sure you guys understand why you got a million dollars in the Budget." That is only going to help pay off some of the interest at the bank! It means if you do not address it, by next year it is going to be more than \$19 million. And the year after it is going to be more again! So it has to be addressed! That is the way I read the picture.

The person who knows most about Cayman Airways in this Legislative Assembly has told us that there is no way Cayman Airways can pay that money off. The only other alternative is to finance it some other way for Government to pay. It makes no sense to talk about how it happened and all of that, that is just a matter of a lesson in the learning. If we want to understand the true picture of the state of affairs of the country, it is situations like this we have to bear in mind.

I do not want us to be frightened because this is something most of us did not know about. But you see, it is better for us to know about it. But let me just—I am truly amazed that we were made aware of this, because what I am used to is it being hidden and then it is a fist-

fight and a war to understand all about it, where if everybody were told up front from the very beginning the whole truth, [there would be] less argument. That is when you look for solutions. You do not have much time looking for solutions when you have to fight three-quarters of the time to get information! That is what has to change! What has to change is when I as a representative want legitimate information, I do not have to find out if this one will allow it to happen! Yeah! That is what has to change, Mr. Speaker. Not all of us have hidden agendas. Some of us really want to serve the country and see some positive results before we fall away.

So when the Honourable Third Official Member is winding up his debate, I trust that the \$19 million about Cayman Airways is addressed in some form or fashion, because it is real. The quicker we know about it, the quicker we decide how we are going to handle it, the better off we are. I am sure he understands a lot more than I do about how financing works, when you do not pay your debts off, what interest does to you.

So Mr. Speaker, those few areas I addressed, with what the Honourable Minister had in his contribution, were matters that I simply wanted to clear up. Some of those specific areas will tie in further down the line as I expand the contribution I am going to make, but I thought it of interest that certain points had to be made.

There are just a couple more. There is an issue I almost take umbrage to that I have been hearing very recently. The Honourable Minister for Education has said in his contribution, **"We have seen the Budget of this country continue to expand. The economy has expanded. We have overemployment."** That is what I want to make mention of. **"We have overemployment. It is a fact, Mr. Speaker, that we do not have sufficient people in this country to fill all jobs because the economy—not just what we have done, but past governments—has been so good for a long period of time, and our population is small."** Now on the surface that sounds to be the most fair statement one could hear if one looks around. But it is those things that fool us so easily that cause damnation in a country, when you become lax and really do not understand the true picture.

Mr. Speaker, as much overemployment as we may seem to have, I contend—it can be refuted all it wants to be, but I live it in my daily life and I believe I am right. I contend that there are still several hundred young people in this country who are unemployable. So if we want to say that we have overemployment, and pretend they do not exist, if others can be happy about that, that is fine. I cannot be, because I know they do exist.

I addressed it earlier this morning in a different way, but Mr. Speaker, I feel compelled to give it a little poke again. It is not something that is easy even to think about. Collectively and individually they probably are the most difficult people one will have to deal with, but they exist! And while they may not really worry about themselves, if we do not take it on our own to start worrying about them, they are going to be the death of us all. I have talked about this for years, and I keep trying to hit home about it, because I keep praying to God that somehow we will find

the will within us. Because if we do not have the will, solutions will not come. Solutions are difficult! I do not have them all! I really do not. But I have always prayed that somehow those of us in the process will realise the importance of this, because it has been the ruination of many societies. It has caused more damage than anything else I can think of, because the truth is, their existence is not the problem. It is all the other stuff on the periphery because of their existence which causes the problems. And the only way you do not have that kind of thing happening is if they do not exist. And for them not to exist you have to pull them out of where they are. You have to find some meaning for them in their lives. But I guess that is not an exciting topic to talk about. Pray God that one day, the policymakers and the decision-makers will pay the right attention to that area.

We can talk about money and budgets until the Good Lord comes, but if areas like that are not addressed, we do ourselves and our country a great disservice. We do.

Mr. Speaker, there is one last area of the Minister's address I have to touch on. I am sorry I cannot make any better sense out of it, but this is the transcript I have, and I will have to read what it says, and I think he probably got side-tracked somewhere along the line. But I know what he was alluding to. He says, **"So the New Zealand approach, Mr. Speaker, I have had a bit of time to read on this, and I was really interested to see how brief that aspect of the Budget was. In fact, education was summed up—I do not necessarily want to go into a lot of depth on it, but it was summed up on three-quarters of a page. They set targets, they have a strategy, money is given in—fairly well in bulk to them and they are expected to meet those targets. I have no problem with that. What it will do, Mr. Speaker, is it will remove this massive document we have here."** He is talking about the Budget document, the Estimates. **"All the little details I read out, of all the nice things being done at the schools that I have money for, that will go. And the thrust, as I understand it, will be that the Minister for that area will be given a vote and targets to meet, and it is up to them, with some flexibility within the Budget, how they attempt to reach it."** So he is talking about the New Zealand approach, which I think by now most of us are familiar with.

Mr. Speaker, when he was talking about the New Zealand approach, I believe that he was not only alluding to the new method by which budgets will be presented in the future, but I think he was tying all of that in with the reinvention process, the reinvention of Government services, because he goes on to say, shortly after that, **"I believe that the reinvention process will bear results. We have to give it time. It is no good attempting to judge results until it runs its process."** So I think it is fair comment to make the assumption that he was talking about preparation of the Budget document, but also at the same time, talking about the reinvention process.

Mr. Speaker, in 1995, there was a Private Member's Motion, number 10 of 1995, entitled the Fiscal Responsi-

bility Act. That Motion simply said, **“Be it resolved, That the Government consider adapting a Fiscal Responsibility Law similar to the Fiscal Responsibility Act 1994 of New Zealand.”** Now the Fiscal Responsibility Act of New Zealand is basically the same New Zealand approach the Honourable Minister referred to earlier on. The Motion was brought by the then Second Elected Member from Cayman Brac, or rather it was brought by the Third Elected Member from Bodden Town, and seconded by the then Second Elected Member from Cayman Brac. Now there are a couple of areas I need to address here, but since I am speaking about the Honourable Minister for Education, when this Motion was brought, Mr. Speaker, in his contribution, his first words when he got up were, and I quote, **“Madam Speaker, this Motion is one which is extremely short, and one which the merit is about as large as the length of the Motion.”** So the Motion is short, and the merit of the Motion was very short. 1995. Here is what he goes on to say, **“This Motion and many other motions that have been brought to this House are being picked up to pave the way in my view for the independence of this country.”** That was the song and dance at that time. He repeats himself again. **“This seems to me really as paving the way as has been done so many times in the past, to squeeze in one other law that could begin pushing us on the road to independence.”** Then he comes with a classic, **“Madam Speaker, fiscal responsibility at the end of the day depends on the quality and the ability of the people who manage the finances of the country. We can pass laws here until we are blue in the face, but until there is a continuity of responsibility persons in this Honourable House who take responsibly the position of the country’s finances, and who are watchdogs for the people’s money, then that is the way the country will remain, in the stable financial position we are now in.”** I wonder who he was talking about. He had no brief for the Motion, but he simply said it was not any good. I do not have to defend anybody in this Honourable House, and it is not my style, and will never become my style. But I know that he took that position because of who brought the Motion. I know that! The point about it is, having said all of that, as I read before, he is now happy to see that approach being taken. And the only thing that has transpired since then that is different is that we owe more money. That is the only thing! So if the good Lord has in His own way helped him to see the error of his ways, that is fine too. I will not have any big long talk about that. That is all right.

Mr. Speaker, he mentioned earlier about the way of thinking and the Opposition should be acting responsibly. I am going to take just a minute to quote a couple of areas where I made my contribution to that same Motion. And I remember hearing them outside, you know, vividly. I remember hearing several of them, *‘Boy, Kurt, don’t follow them boys, they gonna lead you down the path of destruction.’* As if I cannot think for myself! So I said, **“The very important point from the excerpt”**—and I had read an excerpt before—**“is the incentive to pur-**

sue policies in the country’s long-term interest.” And I go on to say, **“I daresay it is known that this is one of my pet peeves regarding the state of our country today, which has nothing to do with the government of the day. It has all to do with a mindset for the country. I personally believe that more long-term planning needs to be the order of the day.”** That was in 1995. I go on to say, **“But during the time that we are here, it is our responsibility, regardless of whose side we are on, to ensure that what we deal with is with the knowledge that is in the best interests of the country.”** I say, **“The Motion does not wish to address what has transpired in previous governments or the existing Government. It simply seeks to identify areas that are relevant to be considered in order to set the course for this country in the long term. The whole idea, as I look at the Motion, is simply for a method to be employed which is sensible, worthwhile, and relevant to the financial operations of this country. As we grow, we need not look for systems to suit bodies. We need to employ proper systems and try to find the bodies to suit them, because proper systems will prevail as bodies, namely us Members, come and go. As I understand the position the Government has taken, and while I am supporting this Motion, it seems as if it is a done deal in regards to the end result. I can only say that just as the Third Official Member who replied on behalf of the Government pointed out, there are many relevant sections of the Act, which is being compared now. So too will I hope to see due consideration being given to extracting from these relevant areas in order for us to put it to good use in this territory.”** So what we had was a Motion that was rejected for what seemed to be lack of merit. But here we are two years later, and we are hearing how good it is for us to have a look at what New Zealand is doing, because there is much for us to learn.

The Speaker: This will be a convenient time for us to take the afternoon break. We shall suspend for fifteen minutes. And I would ask Members to try to be back in fifteen minutes.

PROCEEDINGS SUSPENDED AT 3.46 PM

PROCEEDINGS RESUMED AT 4.05 PM

The Speaker: Please be seated. Proceedings are resumed. I would like to call to the attention of Honourable Members that the debate is dragging on. We are losing a lot of time on our breaks. I would like to ask for Members’ co-operation in trying to reduce break times. Also, with Members’ approval, it is the intention of the House to sit until 6.00 PM on Wednesday, Thursday and Friday.

Debate continues. The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker.

While referring to the Budget Address, I mentioned the Medium-Term Financial Strategy. What I failed to do at that time was to mention the accompanying dream to that, which is Public Sector Investment Programme. I use the word 'dream' because they are both dreams at present. Hopefully they will become reality. The truth is that both of these thoughts work hand-in-hand. While we have been given assurances that the Medium-Term Financial Strategy will be tabled during this Sitting, we were told that the Public Sector Investment Programme would be at a later date. While that brings some disappointment, because of the situation which prevails we will be understanding about it and we look forward in the very near future to seeing that programme come into play. I mention it because during my contribution I mentioned long term planning. Even though my ideas would call for a longer term than 'medium term', I think any start is better than none. So I would be quite happy to see what comes forth with the Medium-Term Financial Strategy.

The Public Sector Investment Programme will be geared towards dealing with national priorities. It is very important that we have this new wave of thinking which is engendered with innovation. Over the years (and this casts no aspersion on anyone here, I am speaking generally) political agendas have superseded national priority. There has always been the big argument of parochial politics taking charge and issues of national importance coming somewhere down the ladder behind that. It is important for us to understand exactly where vision comes in. If we are going to be dealing with Budgets year to year and not have any set goals, several things are going to happen which should not. Based on the little experience I have had observing the way the country is run, if you do not get value for money your actions become sporadic to say the least, and there is no sense of direction at any time. That does not bode well for any of us because we are supposed to have enough will to lead the country on. We cannot continue to talk about it.

When we talk of national priorities, we cannot segregate a district and say it is time they got something. It does not work like that. Not any more. We have to learn to stop sacrificing the numbers game to maintain political advantage. I have seen it happen in here where in order to retain the numbers, Government has had to deal with each individual situation to pacify everybody to keep the troops in check, when in truth and in fact, when it was all over, there was no consideration given to issues of national importance. We all have to understand and accept the responsibility that that can no longer be the order of the day. We are losing too much ground—regardless of what side who is on.

The Public Sector Investment Programme will allow for clear goals to be set within a given time frame. What it will also accomplish is (and I have also seen this happening). . . we find at times the Ministries within the whole Government structure are all headed in different directions. We find people crying for this, that and the other thing for each Ministry because they have their own individual goals. But they have not taken the time out to put all of those goals together to have one set of goals for all

concerned. It is a fact. And it is not today. But that also does not bode well for us.

I will give you an example in these Estimates to show you what I am talking about. If I understand it correctly, under Health Services there is some \$250,000 less allocated this year than last year. First of all, it seems obvious to me that as the hospital nears completion and the various areas are being put into effect that it is certainly going to cost more to get everything going and started up. Nevertheless, we have a quarter of a million dollars less allocated in the 1998 Estimates than for 1997. That brings to mind two questions, and I am not subscribing to either one, I am just saying what comes to mind. It was either proven that money was wasted in 1997, or the Budget could not be balanced so a few people took some cuts although they know that before the year is out they are going to need that money back.

We are talking about national priorities here compared with all other matters. I happen to know for a fact that sometime in the middle of this year the pharmacy at the hospital was without several types of medication for a period of time, and not able to fill prescriptions. Why? Because there were no funds available. If that happened in the middle of this year, and this is 1997, how can we possibly be appropriating less funds in 1998?

We see some additions in other areas. I think we see in excess of \$2 million for Tourism. The policy-makers, I am sure, prudently decided why that had to be an extra \$2 million (approximately) from 1997. The point in hand is not whether I question that that \$2 million more for 1998 in the Tourism budget will be used wisely or not. That does not matter, and is not the point. I am sure that the Government well knows what happened at the Pharmacy. I was not told by them. I heard it (shall I say?) on the street. But I took the time out to verify it afterwards. Here we have an entire nation depending upon that service. It does not matter which district they come from, the entire nation depends upon that service provided by Government. But I guess it might happen before the middle of next year if that is what happened this year. We will see.

That was just a simple example to show that the way we have to do business from here on in is with vision, with a plan, and with set goals. We are always crying about working together. I really pray to God that one of these days we will get a good grip on that because we all use the term 'let's work together' so loosely. We need to understand what working together is. We cannot work together if we do not have specific goals in mind. That is so important.

I mentioned the Public Sector Investment Programme. It is all going to tie in if we can ever learn to let go of the reigns and accept what is right for the country. It is going to take some doing, but the policy makers need to accept that there needs to be a change. When we talk about change, it is the end result of all true learning. Change involves three things, and the first one is the hardest. The first thing that change involves is a dissatisfaction with self. That means you have to be objective and honest with yourself in understanding and accepting

that you are doing something the wrong way. It all has to do with a mind set.

The second thing is that you have to feel the need to make the change. This is what we need to do. We have to come to grips with it and make a decision to change to fill that need. Here comes the one that is really easy if you can get through the others: You need conscious dedication to the process of growth and change. You need to have the will to act and to make that change.

This evening I say to the Government, while I know there is a move afoot with certain things which I believe will head the country in the right direction—we are talking about the reinvention process, the new way of dealing with the Budgetary process. I know there are hiccups involved, and I will not be one of the stumbling blocks preventing this from happening. But with all that we are talking about, if the policy makers are not prepared to let go and be objective about the entire process, it will be to no avail. It will be worse if they say all the right things but not do them.

Everybody seems to be issuing challenges—let us act responsibly, let us do the right things, let us work together. My challenge is: Let us find a vision. Let us understand and accept that a change has to be made. Let us believe in the change; let us contribute to the change, and let us walk into the next millennium with a purpose, with goals, with the satisfaction of being totally open as a Government and still be able to function even under great adversity.

At some point in time we have to come to grips with the fact that we have to do what is right—not what is politically correct, but what is right. That is the cross-road we are at today, and have been for quite some time. But the boat is not going to wait much longer for us.

Talking about change, vision and purpose, I wonder sometimes if we look at our personal lives and think about family responsibilities. We want the best for our children, we want to see them in certain positions with certain opportunities. We all have those aspirations. That is vision. We want them to go to college, so we try to find a means to prepare for the cost when the time comes once they are in a position to go to college. That is vision. The vision is no different for the country. It is just with a broader base—the principle is the same. Sometimes I am totally amazed at why it seems so difficult. I guess it is probably the most difficult six-letter word in the English language.

If I seem to cling to that a bit too long, Mr. Speaker, it is only because I believe that almost continuously politics get in the way. I know that we have to deal with a little bit of it as we go along to add some spice to it. But we have to get serious. I fully believe, and I am totally confident that the Civil Service is ready, willing and able, and simply waiting in the wings for this change. They too have their role to play. As the system works, the policy makers create the policy and the Civil Service is the policy-makers' check and balance to carry out those policies in the best way possible.

Mr. Speaker, I can stop here if you wish.

The Speaker: I will entertain a motion for the adjournment of this Honourable House.

ADJOURNMENT

Hon. Truman M. Bodden: Mr. Speaker, before I do so, I would like to thank you, Sir, and all Members of the Legislative Assembly for going out to see the Lighthouse School on Friday, and today to see the Community College. I really appreciate it. Thank you for your time.

Mr. Speaker, I move the adjournment of this Honourable House until Wednesday morning at 10 o'clock.

Mr. Roy Bodden: Mr. Speaker. On a point of procedure. I believe that it would be good if we took the vote on the business of continuing until 6.00 beginning on Wednesday. I believe it was informally done, but to be absolutely safe, I respectfully beg the Chair to allow us to put it in the form of a motion so that we can vote on it and have it properly ratified in the record.

The Speaker: A motion will have to be put on Wednesday at 4.30 to continue beyond 4.30. I can do it now if you so desire, but a motion will have to be put at 4.30 on Wednesday afternoon.

The question is that this House do now adjourn until 10 o'clock Wednesday morning. Those in favour, please say Aye. . . . Those against, No.

AYES.

The Speaker: The Ayes have it.

AT 4.30 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM WEDNESDAY, 26TH NOVEMBER, 1997.

**EDITED
WEDNESDAY
26TH NOVEMBER, 1997
10.10 AM**

The Speaker: Prayers by the Honourable Minister responsible for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

PRAYERS

Hon. Anthony S. Eden: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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

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

The Speaker: Please be seated. Proceedings are resumed.

**MESSAGES AND ANNOUNCEMENTS
BY THE SPEAKER**

APOLOGIES

The Speaker: I have apologies from the Fourth Elected Member for West Bay and from the Second Official Member, who will be arriving late this morning.

Item number 2: Questions to Honourable Members/Ministers of Government. Question number 189, standing in the name of the Third Elected Member for Bodden Town.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

QUESTION NO. 189

No. 189: Mr. Roy Bodden asked the Honourable Minister responsible for Health, Drug Abuse Prevention and Rehabilitation to provide a breakdown by nationality, qualification and experience of all staff recruited since January 1997 to work in the Health Services of the Cayman Islands.

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Thank you, Mr. Speaker. A breakdown of all staff recruited since January 1997 to work in the Health Services Department is provided as an attachment. Mr. Speaker, of the 64 posts, 22 will be filled by Caymanians, eight by foreign nationals with Cayman Residence, and two by persons married to Caymanians.

SUPPLEMENTARIES

The Speaker: Supplementaries? The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. Can the Minister say, in the case of those recruited from abroad, in which jurisdictions advertisements were placed?

The Speaker: The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Mr. Speaker, in the United Kingdom and in the West Indian territories.

The Speaker: The Third Elected Member for Bodden Town, supplementary.

Mr. Roy Bodden: Thank you, Mr. Speaker. Is the Minister in a position to say if this recruitment is near the complement of what is anticipated, or is the house to expect that we are going to have a similar number of recruits in the years up to the completion of the new Hospital?

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Mr. Speaker, in the 1998 Budget there is a request for a further approximately 100

or 102 people, but that should just about finish everything and bring us up to strength.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Minister say how it is envisaged to deal with these staff members, that is, whether they are going to fall into the regular corpus of the civil service, or whether there is any intention of resorting to an Authority?

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Mr. Speaker, the framework provided at this time is still within the ambit of civil service. Maybe down the line there is the possibility of an authority, but that is not considered at this time.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. Is the Minister in a position to tell the House what kind of impact this will have financially on the recurrent expenditure of the country? That is, how much money will the new staff necessitate?

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Mr. Speaker, for the posts next year which will be phased in, it is an impact of around \$2 million. We are trying to do in two to three years, what most other departments have taken fifteen or twenty years to do. Many of the posts, especially nursing—and I know the Honourable Member from North Side has, on many occasions, pushed to try to get some support there—those nurses have to work extremely long, hard hours and a lot of overtime, which I will mention in my response to the Budget Speech. There is a need for help in those areas.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. Can the Minister say what percentage of these recruits will be Permanent and Pensionable, as against on contract?

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Mr. Speaker, with the Honourable Member's permission, instead of giving an answer I am not quite sure of, I would prefer to give that to him in writing.

The Speaker: Fourth Elected Member for George Town.

Dr. Frank McField: Mr. Speaker, as a supplementary, I would like to ask the Minister to give me, if possible, a brief description of the situation with regard to two Cubans with Caymanian Residence who seem to have a substantial amount of medical experience, but nevertheless are listed as Physician Assistants.

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Mr. Speaker, in the case of the Cubans, their qualifications under the Health Practitioners' Board is not recognised until they are approved by other territories.

The Speaker: Fourth Elected Member for George Town.

Dr. Frank McField: Mr. Speaker, I would like to ask the Minister if this then has anything to do with the pay structure, and how are they paid? Are they paid for their experience, or are they paid as a result of how they are classified?

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Mr. Speaker, I am informed that they are paid by the classification of the posts they have taken.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Mr. Speaker, I notice from the answer the Minister has provided that these Cubans have 24 and 22 years of experience respectively. My question to the Minister is, does their age allow the Government the flexibility to see that these persons are certified, or take the requisite Board exams which will allow them to become full MDs in our jurisdiction? Is any provision being made to give them proficiency in English? I believe some arrangement exists whereby they do a six-month secondment in Jamaica, or someplace, prior to taking the Board exams.

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Mr. Speaker, at the present time, the Health Practitioners' Board recognises only doctors who have been approved in the United Kingdom, Canada, the United States and Jamaica, but I am sure that as they serve here, we will assist them in trying to get that qualification.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Mr. Speaker, I believe these individuals came here as refugees some time ago. If so, I

would ask the Minister whether he would be willing to make an extra effort to see that they do qualify, because if they did come here as refugees, it implies that they will be here permanently. I think, therefore, they should have priority over someone from overseas. Would he be prepared to make efforts to see that they do get these qualifications? Because it is, in my opinion anyway, a waste of very good resources.

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Thank you, Mr. Speaker. I am in agreement with the Honourable Member.

The Speaker: Any further supplementaries? If there are no further supplementaries, question number 190, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 190

No. 190: Mr. Roy Bodden asked the Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation to state who signed the final plans for the various units of the new hospital.

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Thank you, Mr. Speaker. The process by which we reached the final plans for the new Hospital was as follows:

The Health Services Facilities subcommittees, consisting of technical health services personnel from the various departments, and chaired by a senior member of those departments, submitted, after considerable discussion, proposals for the new areas to the Facilities Committee. This group consists of senior managers in the Health Services Department. After review and input, the proposals were submitted to our design consultants, who incorporated them into their plan for the new Hospital. This plan was reviewed by the Facilities Committee, and the subcommittees, and further modifications made to maximise such things as patient comfort, efficient utilisation of space, etc.

Mr. Speaker, the responsibility for the final signing off of the plans rests with the Health Services Complex Steering Committee, which is charged with ensuring that this project is completed on time and within budget. Any change proposed at this time has to be approved by this Committee, and approval will be given or denied only after careful consideration of the effect on the allocated budget and the timing of the project.

SUPPLEMENTARIES

The Speaker: Supplementaries? The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. Can the Minister say if this procedure has been adhered to up to this point? Also, can the Minister tell the House what happens in the event that modifications are needed, or what happens in the event of those modifications which have been made to this point?

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Yes, Mr. Speaker, up to this point these guidelines have been adhered to. I wonder if he could repeat the last part of his question.

Mr. Roy Bodden: Thank you, Mr. Speaker, I am happy to. The second part of the question to the Minister was, can the Minister say what happens in the case of any recommended modifications or changes to the original plan?

The Speaker: Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Mr. Speaker, it is taken back to the Steering Committee which considers it, and if it is justifiable and within the contingency, it is given to the Project Manager to implement.

The Speaker: Supplementaries? If there are no further supplementaries, question number 191, standing in the name of the Third Elected Member for West Bay.

QUESTION NO. 191

No. 191: Mr. John D. Jefferson, Jr. asked the Honourable First Official Member responsible for Internal and External Affairs to provide an update on the proposed amendments to the Liquor Licensing Law, 1985, as was called for in Private Member's Motion No. 6/96, as amended.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Mr. Speaker, the answer: The amendments to the Liquor Licensing Law, 1985, called for in Private Member's Motion No. 6/96 as amended, are being drafted; and after presentation to and approval by Executive Council, they will be brought to this Honourable House.

SUPPLEMENTARIES

The Speaker: Supplementaries? The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr.: Thank you, Mr. Speaker. The amendments that were proposed were for establishments applying for a liquor license not to be closer

than 1500 feet from a church, a civic centre, or a school. The other one was a moratorium on liquor licences in residential areas. I wonder if the Honourable Member could say whether he is aware of any licences in the meantime having been issued in residential areas, or issued to establishments within 1500 feet of schools, churches, or civic centres.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Error! Bookmark not defined. Thank you, Mr. Speaker. I am not in a position to say if any licences have been issued that fall in the category as pointed out by the Member, but I hope to have the amendments as requested incorporated into the Law in the very near future.

The Speaker: If there are no further supplementaries, that completes Question Time for this morning.

Item 3, Government Business, Bills, Second Reading, The Appropriation (1998) Bill, 1997, continuation of debate thereon. The First Elected Member for George Town continuing.

GOVERNMENT BUSINESS BILLS SECOND READING

THE APPROPRIATION (1998) BILL, 1997

DEBATE ON THE BUDGET ADDRESS DELIVERED BY THE HONOURABLE THIRD OFFICIAL MEMBER RE- SPONSIBLE FOR FINANCE AND ECONOMIC DEVEL- OPMENT ON WEDNESDAY, 5 NOVEMBER, 1997

(Continuation of debate thereon)

Mr. D. Kurt Tibbetts: Error! Bookmark not defined. This morning, as I continue with my contribution, I will be dealing for a short time with the Budget document itself, as has been presented to us. Before I move into that area, I wish to comment on a statement made by the Honourable Third Official Member regarding the Shipping Registry. As he stated in his address, **“Turning to shipping, Mr. Speaker, there has been minimal growth in the register. 1997 represented a period of consolidation, following an exceptionally good year in 1996 when growth in excess of one hundred percent was recorded. However, the Shipping Registry is continuing many of the activities initiated earlier this year.”**

Mr. Speaker, while I understand what the Third Official Member stated in his address, I for one question the Registry and its operations, why there was such a huge growth in 1996, but none so far in 1997. I also have serious questions about the Shipping Registry, with regard to any Caymanians being employed. The way the Budget document is presented, the Shipping Registry is all under the General Registry, and from the way it is presented, I

cannot determine what funds are being spent within the Shipping Registry or the other parts of the General Registry.

I seriously wonder if there is any move to try to train Caymanians in this area, because, as far as I know, there may be only one Caymanian working within the Shipping Registry. I do not have a problem with those working there now, I just think we should be trying to entice Caymanians to that area. I am not sure, but it is my understanding that some money has been allocated for training within the Shipping Registry. I would rather see funds being spent by Central Government for training, to be put to good use by training Caymanians. I do not know what the case is, but perhaps the Honourable Third Official Member will address that when he winds up his contribution on his Budget Address.

Now, Mr. Speaker, getting to the actual Budget document itself: Let me first of all state that not having been part of the process at any level in the preparation of the docket, I cannot state that I know exactly what the process is, or what took place, to be able to have the document completed. So where any fault lies, I do not know, but it really does not matter. I wish to state that in my view there are several areas of this document which bring a lot of questions to mind.

In the capital section, and I do not think I will be pressed to give specific examples—I will if I need to—but in the capital section, based on my limited experience dealing with budgets, there are too many items that are under-budgeted. As far as I am concerned, and I have had this beef for a long time, the Budget document is prepared, and especially under the capital section, funds are allocated for various specific items to be either acquired or for work or services to be done, and it is known that the funds allocated cannot complete the task at hand.

Many of these tasks, if started within the financial year, and if the funds allocated are used, will not be completed. Not all of them are going to spill over into next year, because there is not enough time to complete the jobs. The point I make is, is it not better for us to decide on what we are going to do this year, and make the funds work, in order of priority? If we have to wait until next year to do the other jobs, we say so, and we say why, but at least we have a clear sense of direction. In this document, the pie is being split up into as many pieces as possible to show concern for that specific area, knowing full well that you will not get anything done with it!

I do not see the sense in continuing to bring the document to us like that, and you hear, We know that won't complete it, but chances are we won't be able to do something else, so we'll draw funds or vire them from elsewhere to get this done if we can. That is 'schoolboys saving their lunch money,' Mr. Speaker. We cannot continue to deal with it in this fashion.

This document, unlike all others I have seen, has no performance indicators in it. It has no review of last year's achievements within the departments, or non-achievements. If we say we are going to change the whole style of preparing the Budget and presenting it to

Finance Committee, and the whole process is drawn out, then I contend we should change whatever legal process there is, and Finance Committee should not have to deal with the Budget. How can I, not having seen the document before, be presented with a generic document and be able to sensibly decide, Well, this is in line, not having access to what has gone on before, what the plans are for tomorrow, or anything of that nature. Even the Objectives are totally generic. There is no timeline, no cost-line.

Those who live with it daily might feel satisfied, because they either know or somebody else is going to tell them during the course of the events. People like me do not have that luxury. If I am to be part of the process, the methodology has to change. I know I do not speak for myself alone.

Mr. Speaker, I move on to the lack of what the Government terms the D-Plans. In 1995, in his contribution to the debate on Private Member's Motion 10/95, the Fiscal Responsibility Act, the Honourable Third Official Member made a statement regarding these D-Plans. He said: **"Madam Speaker, since 1992, the annual budget has provided for the preparation of Departmental Plans (D-PLANS), 3-year projections of capital expenditure and, in some cases, 3-year projections of recurrent and statutory expenditure tied to these Plans. [Makes sense all the way.] In addition, the draft Medium Term Financial Strategy and Public Sector Investment Programme document is currently undergoing its third revision to encompass the period, 1996-1998. It is expected that with the finalisation of this third revision, combined with the rationalisation of, and enhancements to the budget preparation and implementation process; the ongoing activities of the Public Sector Investment Committee; and the update of the computerised debt recording and management system; that the key elements of a medium to long term fiscal planning process would have been put in place."** (*Hansard* 14 September 1995)

It is obvious from this statement made on 14 September 1995, that the Honourable Third Official Member responsible for Finance and Economic Development and his team knew then the direction in which they should be headed. He went back as far as 1992 to talk about the Departmental Plans, and here we are with a Budget for 1998 and all of that is through the window. I am told it is an interim measure and will be corrected in the future. I contend, if that is the case and we can throw away a whole year (and it is not a big deal, we can pick it up next year) when it comes to the country's money and how it is spent, I wonder if any of us is acting responsibly.

I mentioned on Monday that with the absence of these Departmental Plans in a Budget Document, accepted and approved by Finance Committee, I would like to understand how the departments operate. Where are their specific goals for the next year? I am not saying they do not have them, but certainly, enshrined in a Budget document gives it much more credence and cause for much more accountability.

I hold the view that without these D-Plans in the document, the discipline of working towards specific

goals is gone. Even as legislators, without knowing what these plans are, how are we expected to participate in the process? As we talk about participating in the process this is something that I cannot fail to mention here. The way I understand the operation of the Budget process, departments are given deadlines to prepare their budgets for the next year, that is, what they think they need to operate during the next fiscal year. Heads of Departments then deal with the Permanent Secretaries to whom they are directly responsible. After a certain amount of hashing out, the Ministers, or Official Members responsible for the departments, see what is happening and it goes back and forth a couple of times. I think we all know that because every Budget has had to be cut. People always jack things up a little bit (because they know cuts are coming) with the hope that it will strike its own level and get to where it should be.

After that is put together, Executive Council sits and thrashes certain things out and more cuts go on to ensure a balanced Budget. Then they get to the real McCoy and put the figures together. Mr. Speaker, I am not standing here today begging anyone to allow me to be part of the process. But I am going to tell you what grieves me to my. . . I cannot tell you where!

I understand that during the process of the preparation of this Budget. . .

Mr. Roy Bodden: And the last one! And the one before!

Mr. D. Kurt Tibbetts: . . . there was either an individual or individuals—it does not matter if it was one or ten, and it does not matter who it is, I am not dealing with persons. I am dealing with principle here. I understand that individuals who have nothing to do with either being Members of the Legislature, being civil servants in appointed positions, but simply members of the public were part and parcel of the decision-making process of how this country's money is going to be spent.

When a Head of Department, who is a civil servant, has to come into a meeting. . . and as it is known and as it is practised, the National Team (the Government of the day) gets together with their 'members'—even those who are not part of Executive Council (I hear all of that)—and they sit down and thrash things out. They feel that that is what keeps them together. That is fine. They have the numbers. But when you have a Head of Department coming in to be drilled by those people, and somebody who is simply a member of the public, but by some association with the National Team sits down in front of that Head of Department and questions that Head of Department. . . it is a shame!

They can say what they want to say, they can come back to me and roll me all over the place, but if that is not contrary to the Democratic process, then I want somebody to tell me what is!

Mr. Roy Bodden: Hear, hear! Especially as they were rejected at the polls!

Mr. D. Kurt Tibbetts: They keep coming back about the Opposition acting in a responsible fashion. I mean, the reason I chose to say that in this public forum, Mr. Speaker, is because it must stop! All walls have ears. I know it, but they know it too. I have found that just to talk rationally sometimes, not only am I not listened to, but people use the opportunity to turn it against me. So, in instances like these, they can turn against me all they want to, the rest of the world is going to know about it too.

We have a Budget which tells me nothing about what is going on with my country for the next year, besides a few figures. There are four of us who sit in this Legislative Assembly who had nothing to do with the preparation of the Budget. I am not going to bat for the four of us. That is not my point. But if we really want to get technical, the four of 'us' I am referring to are: the Third Elected Member for George Town, the Third Elected Member for Bodden Town, the Fourth Elected Member for George Town, and me.

There were over 5,000 votes cast among these four people. Are you going to tell me that individuals who were rejected by the public are going to sit and participate in the process and when it is over bring it to people like me, and I must participate and say 'yes'?

Mr. Roy Bodden: Hear, hear! Now you are putting it right!

Mr. D. Kurt Tibbetts: Mr. Speaker, I do not know how they see that, but to me that is an insult to the people of this country!

Mr. Roy Bodden: God bless you. Preach, brother, preach!

Mr. D. Kurt Tibbetts: That is an insult to the people of this country.

Mr. Roy Bodden: Exactly. Now you are putting it right! That's my kind of expression now!

Mr. D. Kurt Tibbetts: Mr. Speaker, I will move on, but let me just say that as long as I am here—and I am not the one who rants and raves all of the time, the world knows that—if I know that happens again, I will personally take to the streets of this country, because it is morally wrong to deal with that. . .

Mr. Roy Bodden: It is against the Westminster style of government too.

Mr. D. Kurt Tibbetts: . . . and expect that everything must go smooth and. . . Talking about that, another thing I have to mention is that it is a shame that the Civil Service in this country lives in fear of some portions of the political directorate. It is a crying shame! It is so unfortunate that some of us can only perform when those are the circumstances that prevail. It is almost like we are afraid of our own shadow. Because of that they have to make everybody afraid of theirs. But God is not sleeping,

and a change is coming. I think the good, sensible people of this country are going to see that happens by due process.

We look at the general reserves. There is a figure of \$1 million this year. It has been said that because there are other priorities, Public Service Pension Fund and a couple of other things, it is difficult to deal with any more funds going to general reserves. The Third Elected Member for George Town and a few others have mentioned that the figure in the general reserves now is disproportionate to what it takes to run the country on an annual basis. What we have to bear in mind is that these are the boom times. The Government continuously speaks about the boom, and the rest of us are grateful to God that we still enjoy a fairly good life. But, that is not the way it is going to be all the time: Because of outside forces there are going to be lean times.

I contend that regardless of what else we want to do, we must save for a rainy day. When those lean times come it takes Government to help jump-start the economy. It has happened before. If we go by history, it will happen again. The only way Government is in a position to do that is if there are reasonable general reserves, so that it can either be creditable with borrowing or use some of those reserves to deal with certain capital projects to get the ball rolling. The way we are going now, if we get into the next millennium and have a downward trend, \$12 million in general reserves will not do anything.

For the past three years, every Budget has called for us to engage in somewhere around \$40 million worth of capital projects—and that is normal! So that is a word of warning. Regardless of how you have to balance your Budget, there are certain priorities that have to line up. After that you deal with what you can. That is my position.

The borrowing of 1996 to 1997 to this Budget going into 1998 have shown a specific upward trend. The Honourable Third Official Member responsible for Finance and Economic Development has quoted the magic figure that debt service should not exceed ten percent of recurrent revenue. Every time some of us question the trend, we are told '*But, we are not above ten percent.*' I know. But we keep inching closer to that.

Let me tell you what else nobody has taken into consideration in the whole scheme of things, Mr. Speaker. The people in the public live every day. If Government's position is that it has to continuously placate the public, put them into a mindset that every year we must find some other better service to keep providing for the public, with nobody bearing in mind what the cost is; as we increase services (and it does not take a genius to understand this) it is going to increase recurrent expenditure next year because whatever that service is, we will have to continue operating it. As we inch closer to that magic figure of ten percent, I want to know which person (or persons) after many years of a trend, after having a certain mindset, is going to suddenly get up and say, '*OK, fellas, it is time now, we are at ten percent. It has to stop*'? I want someone to tell me that.

Mr. Roy Bodden: And deprive them of services to which they have become accustomed?

Mr. D. Kurt Tibbetts: Do you know what that trend is, Mr. Speaker? Political expedience is going to be the order of the day.

Mr. Roy Bodden: That is the term.

Mr. D. Kurt Tibbetts: Whoever is returned to power, in order to maintain that political power base, is going to try to satisfy the public. The public does not know any better—that is what you have been telling them all the time.

Mr. Roy Bodden: True.

Mr. D. Kurt Tibbetts: Some little voice crying in the wilderness is going to get slaughtered because it said something sensible. That is what is going to happen to us. But we must not talk like that. We must not tell the truth. The public does not want to hear that. They had better hear it, because it is going to happen!

Mr. Roy Bodden: Sooner rather than later.

Mr. D. Kurt Tibbetts: If every year we have to borrow, that means that Government continually provides more services than its earning power will allow. If it were not doing it, it would not have to borrow.

Somebody will now say that my thought is insular because we sometimes have to borrow. Correct. So, let it not be said that I am suggesting that the country does not need to engage in borrowing from time to time. Nothing like that. But, when you are borrowing based on how you wake up every morning, that is not right. You must have a plan; you must know where you want to get. Then you can say, *'After having costed out what it is going to take for us to get where we want to get, this is how we are going to prudently borrow as we go along and keep paying as we go until we get there.'* But that is not what we are doing. We are like a chicken with its head cut off.

Every time the Budget comes around, everyone is scrambling and crazy to get it all put together to be able to present with nice words this wonderful document and the country is in good shape. That is what is happening to us.

Mr. Roy Bodden: I personally know who can speak now with great airs and flowery language!

Mr. D. Kurt Tibbetts: I hold the view that as the rest of the world is advancing, if what I saw happen this time around is allowed to continue, we are simply going back into the dark ages.

How can we have Ministries and Portfolios with their own individual plans, aspirations and hopes, and have nothing put together as a financial plan which will allow all those aspirations to become reality? Do you know what we do? We wait until we realise we cannot make it this time, so we find which other dead horse we can beat for more revenue. No innovation whatsoever.

If we need to help balance the Budget with our projected revenue, we jack up one area which is always doing well, and that helps. Hopefully at the end of the year the shortfall will not be so high that we cannot make up for it somewhere else. Let me tell you something else: Every Jack, man and his brother who understands the process knows that what I am saying is one hundred per cent true. I want to see if without any war we can suddenly come up with a concerted effort to get it right for the sake of the people of this country.

We will wake up one morning and find out it is all gone, just from living in this fancified dream world in which everything is nice. It takes a little bit of gumption, a little hard work, a little fortitude and a testing of the minds to be able to develop medium- and long-term plans, and to have the will to understand and accept that this is how we should see ourselves ten years from now.

But because nothing has happened thus far that we have not been able to handle, we sit back and relax and figure that everything will be all right. By the time something really bad happens, I will be out of it. I will not have to worry. It will be somebody else's worry. The majority of us here have children. I think that, with respect, some of us may have grandchildren. That makes the responsibility heavier. Having said that I will wait, with regard to the Budget itself, to hear how wrong I have been.

Against that backdrop, the problem I have with the way the Budget was presented this time leaves me to take the view that that method (whatever it was) goes totally against the new reinvention process supposedly taking place.

My understanding is that the reinvention of the Public Service is about doing things differently but with increased efficiency; being open about the use of public funds; being held accountable for the use of public funds. Reinvention is a quest for better government. My understanding is that reinvention is not about changing what is, but, rather, about creating what is not. It is about changing people's attitudes and their mindset. Of course, I understand that this has to be an ongoing process to be able to continue to work. What I just mentioned about the Budget tells me the exact opposite of what reinvention is all about.

There have been some visits to New Zealand. With this whole reinvention of the Public Service, there have been many areas in New Zealand's approach to running their country that some people feel are good examples for us to follow, to apply to our own circumstances. The reinvention of the Government Services is integral to the way budgets will be prepared, and in general, to the way the country's money will be spent, and also to the vision the country will have. I am going to take a few minutes here, with your permission, Mr. Speaker, to read a few excerpts from a couple of documents, with the hope that those in the political process, especially, who, if they are only at the level of tolerance with this reinvention process, might see the light and go a bit further, not just to tolerate what might be happening, but to try to help it, to speed it up, so we can get somewhere. Because as much as we talk about the economy booming, when it

comes to the management of a country, we are as stagnant as Meagre Bay Pond.

Mr. Speaker, the Fiscal Responsibility Act of 1994 for New Zealand, in its commencement, says a few things I think are very pertinent, and I will quote:

“An act to improve the conduct of fiscal policy by specifying principles of responsible fiscal management, and by strengthening the reporting requirements of the Crown.” In our case that would simply be the Government. And in particular, **“(a) by requiring the Minister of Finance to report regularly to the House of Representatives on the extent to which the Government’s fiscal policy is consistent with the specified principles of responsible fiscal management, and to justify in his or her report any departures made by the Government from those principles.**

“(b) by requiring all the Crown’s financial reporting to be in accordance with generally accepted accounting practice.

“(c) by requiring the Minister of Finance to publish, at least three months before the start of each financial year, a budget policy statement containing the Government’s long-term objectives for fiscal policy, its broad strategic priorities for the budget for that financial year, and its fiscal intentions for that and the next two financial years.”

So you see, there is a path to follow, and also, **“to lay before the House of Representatives on the day on which the first Appropriation Bill relating to a financial year is introduced, a fiscal strategy report assessing the consistency of the budget with the budget policy statement, and providing progress outlooks for the next ten years, and an economic and fiscal update prepared by the Treasury for the next three years.”** So you have your long-term plan, and your medium- to short-term plan.

“To publish in December of each financial year an economic and fiscal update prepared by the Treasury for the next three years, [I think I read that] and to publish before each general election [this is another important one] an economic and fiscal update prepared by the Treasury for the next three years.

The purpose of that, Mr. Speaker, is even if your political directorate changes hands, you have a course. If the captain dies on the ship, she is on her way to a port if somebody has to take over. There is a reason for all of this.

Lastly it says, **“To lay before the House of Representatives towards the end of each financial year a fiscal update prepared by the Treasury for that year, including forecast estimated actual financial statements for the Crown.”**

So in a few short paragraphs, if we were to grab that, take it and run with it, first of all the person who is just hearing it is going to say, *‘That’s gon’ cost us a whole pile a’ money!’* Not so! It is costing us more in my view now to do nothing! Because the same people in place doing all the other things being done now for us can easily operate a system of that manner, in my view. I am no

expert, but the way I visualise it, I see it can be done. It is all a different mindset, and having specific goals.

Mr. Speaker, to give an idea of what I believe we should be doing with the entire process—and I am not for a minute saying that I have sat down and figured all this out for myself—it is just that as you read the experiences of others, sometimes you are able to place that into your own situation and make some sense out of it. That is the whole purpose. Others benefit from others as we go along.

There were two documents circulated not too long ago from the same New Zealand effort. The first one is “New Opportunities.” It is a Government strategy statement towards 2010. In the foreword, the Prime Minister of New Zealand says, **“The Government has done its part by using the extra resources available to it to carefully balance competing demands. Debt repayment has been central to our strategy. We will continue to reduce public debt. Net public foreign currency debt is projected to be eliminated altogether in the next coming financial year. Spending will continue to be directed to areas of highest priority.”** They have good sense! **“We will be introducing new initiatives to strengthen our communities and to better protect the environment.”** Now Mr. Speaker, I do not think that man is a genius, but in simple language, what he is saying they have been doing, and it works, is the mindset we must have in this country. And it will work! It will work! We are doing everything wrong now and it is working, imagine if we did it right!

The Speaker: Would this be a convenient time to take the morning break?

Mr. D. Kurt Tibbetts: Yes, Mr. Speaker.

The Speaker: We shall suspend for fifteen minutes.

PROCEEDINGS SUSPENDED AT 11.20 AM

PROCEEDINGS RESUMED AT 12.17 PM

The Speaker: Please be seated. Proceedings are resumed. Debate on the Appropriation Bill continues. The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you. Mr. Speaker, I am going to move on to show some of the vision from the territory of New Zealand, and to show how similar we should be with the vision I am talking about. Let it be known to the Government that I am not just speaking on my behalf, but I am speaking on behalf of the Opposition, of whom they are wondering if we are responsible.

Before I get into specifics, I forgot to say earlier when I was speaking about the Fiscal Responsibility Act of 1994, that the lady who was then the Minister of Finance for New Zealand, by the name of Ruth Richardson, piloted that piece of legislation through the New Zealand Parliament. She is a lawyer by profession, too, Mr. Speaker. She made a statement, **“The richer your**

country is, the longer you can afford to be stupid." Any sensible person would take heed from that statement, Mr. Speaker, and I am not going to talk five or ten minutes about that. I just hope we will remember that and understand what that means so we do not wait until we are poor to stop being stupid.

Mr. Speaker, as the documents continue to be produced by the New Zealand Government to keep their vision intact, here are their thoughts about the people of their country. In the introduction to the next document that was produced, called "The Next Three Years," the Prime Minister said, **"The need to further improve the Government's financial position is urgent. Accumulated debt and the pressures we will face early next century mean we must save for our future now. This document highlights the reasons for the sustained economic growth we are now experiencing, but,"** he warns his people, **"this growth cannot and must not be taken for granted."** He is basically saying that we have to be careful and prudent with our fiscal policies, and how we manage our country's money; we must make sure that our public debt does not get out of hand; and we must save for a rainy day.

He goes on to say, **"We want all New Zealanders who are able to work, to do so."** He justifies his statement by saying, **"Studies show the longer people are out of work, the harder it becomes to get them back into the labour force."** It has been touted that we have over-employment. I have discussed that before. But if we have over-employment, then those who are not employed seem not to exist, Mr. Speaker. Those are the types of goals we must have in mind.

He talks about a number of New Zealand families facing a particular disadvantage, problems such as poor health and housing, limited education, work experience, and social skills that can be passed from generation to generation. Some of us might think it does not happen here, but it has been happening and it continues to happen. He calls that a "cycle of disadvantage." Those are the issues we need to be addressing. He says, **"The Government is committed to breaking the cycle and to helping those that are most disadvantaged."** He goes on to say that there is a new plan that is going to be implemented called "The Skill New Zealand Programme." That programme will be expanded with the aim of placing all school-leavers into training if they do not go on to post-secondary study or work.

Mr. Speaker, that is so important. He is saying that all school-leavers will find themselves in three categories: they either go to post-secondary, or tertiary education; they go into the work force; or they exist. We have those same three categories here, but he is saying they will be implementing a programme with the aim of placing all of them into training if they do not fall into the other two categories.

Those highlights are leaning to a vision, a vision, I contend, we must similarly have in this country. In 1995, after both documents I quoted from were produced, there is no ease-up because it is an ongoing process. He talks about budget now, and he says, **"The strategic result**

areas are published together with a budget policy statement and investing in our future as part of the series of public documents. These documents aim to share the results of the strategic management process and build an understanding with the people of what Government intends to accomplish." That is what we should be doing. It will also tell how it plans to go about using its own agencies. That is the same thing as our departments. **"These strategic result areas demonstrate in quite real terms what we are asking our departments to focus on over the next three years. Experience to date indicates that the strategic result areas for the public sector are helping to translate and operationalise the Government's strategy."** Simple but important! There is a plan. There is a forward movement. There is a new wave with a way of thinking. He outlines the various areas in very real terms, Mr. Speaker. **"Particular emphasis will be placed on meeting the objectives for sound fiscal management set out in the Fiscal Responsibility Act of 1994, to achieve and sustain a prudent level of debt, to achieve positive net worth, [that's your savings] to ensure the prudent management of fiscal and business risk, and to ensure stable [and here's a wonderful statement] and predictable tax rates."** That means they are not going to wake up one morning and have to tell the public, *'Look, sorry we didn't tell you this, but we're going to have to up the duty on so-and-so and so-and-so.'*

He goes on to talk about the **"establishment, implementation and monitoring of legislative frameworks for the fair and efficient conduct of business."** Then he talks about the **"development of policies for the sustainable growth of the tourism sector, based upon avoiding, remedying or mitigating adverse effects on the environmental attractions on which the industry depends, and upon the development and maintenance of an appropriate infrastructure."** That's the vision we must have, Mr. Speaker!

There are just a few more areas I want to show when we are talking about where we are going and what we should be aiming towards. When it comes to education and training, he says, **"Particular emphasis will be placed on development of programmes and a curriculum that will enable an increasing proportion of children to receive effective early childhood care and education, particularly those at risk."** He talks about **"improved systems for the effective delivery of resources to students and providers to enable the flexible provision of educational services to the community, and in particular, to target groups within it."**

When he mentions about education, Mr. Speaker, and talking about reaching all the children, for us, we should be looking to do the same, rather than when we quote statistics about success on exams, the way we figure the percentages is based only on how many children took the exams. Everybody who reads those results say they are wonderful. But we are not saying who did not take the exams! That is the kind of stuff we need to be dealing with!

When it comes to social assistance, social services, he says, **“Particular emphasis will be placed on development of policies and procedures to provide greater incentives for more people to make the transition out of benefit dependency and towards work force participation.”** If we talk about our Social Services Department, Mr. Speaker, I know the social workers have in their minds this same thing. They would love to see their clients get back into the workforce and become their own breadwinners. But they do not have anything to work with to get it done. That is what we need to be working at.

He talks about **“development of comprehensive and well-tailored programmes to address the needs of the long-term unemployed.”** We have them here too! But you know what we are doing with them? We are fingering them as we pass on the roads, *“Che! He don’ wanna work, she don’ wanna work, don’ fool with her.”* That is what is going to ruin us.

Then he talks about **“development of housing policies that broaden the options available to low income New Zealanders.”** We have given that some lip service here too, but that is all it has been.

Mr. Speaker, when he quotes Central Government finance, here is how the projections are working:

“1994 Public Debt, \$46.4 billion

1995 Public Debt, \$44 billion

1996 Public Debt, \$41.5 billion”

That is a bigger country, so we are talking billions of dollars. But you notice, it goes from 46 down to 44 down to 41. Cayman, 1995, \$51 million; 1996 \$67 million; 1997, \$82 million; 1998 unknown, but more still. The total opposite.

All the things I just mentioned that they are doing in New Zealand were to show that without reinventing the wheel, we have access to change the way we are doing things and make it better. Any time I speak about Government, it is because they are the Government of the day. It does not matter who it is. What is being done today was being done yesterday, and the day before, and the year before. I am saying that regardless of who was there, or who is there, we now understand it—we know we have to change the way we do business in this country. Let us do it! That is what I am saying. It is not meant to show up this one or the next one. It is not that I am apologising for what I have said. I am saying that if we are going to be the responsible representatives and policy-makers we are supposed to be at the two levels of this legislature, let us do it right, because we now know what we have to do, to do it right.

The Opposition has been challenged to provide alternatives rather than oppose for the sake of opposing. I think we have just done that. We do not profess to know it all, and there are others who know what we are talking about here too. We did not get it first. But our attempt is to make sure that all of the people in the process take a hands-on approach and help it along so that we can see a brighter tomorrow for us and for those who come behind us. That is what we are here for, if we call ourselves representatives of the people.

The 1994 Fiscal Responsibility Act and its addendum, when the Motion was brought in 1995, were cut away because it came from the wrong source. I am asking that we forget who is who; let us remember that we are supposed to be working toward the same goals. Let us respect opinions passed by others and decipher any merit they may have.

We talk about vision. The Opposition takes the position that we need to have two visions—how the Government should work and the direction the country should take. That is the way we think. We believe Government should work on the basis of accountability. We believe security of tenure must be based on performance. But we also believe that the policy-makers who are the elected arm of Government must be willing to allow the experts in the Service enough autonomy to perform their duties to the best of their abilities.

The policy-makers develop the plan, the Civil Service executes the plan. If the policy-makers know more than the Civil Service how to execute the plan, what is the purpose of the Civil Service? The reason I mention a certain amount of autonomy within the Service is because for what it is going to take to move forward—and I pray to God that He puts it in our minds to do so—we are going to need a certain amount of innovation.

This thing cannot work like the courts work—English Common Law based on precedents. We cannot continue to look back at how somebody did something last week or last year in the Service and do it the same way. Times are changing. We cannot do that. For them to be able to do what they have to do, they too have to have a certain amount of autonomy. It is not frightening because if there is accountability along with autonomy they are going to do it right, and you will not have to worry about it.

The truth of the matter is that if the policy-makers want it to work right, they must display enough confidence in those who are going to execute the task. There is no reason why they should not. I just remembered. . . let me tell you what the problem is, Mr. Speaker. In a document handed out to us about the reinvention of the Public Services, and this is a local document, and here is where we get different thinking. We get the public saying, *‘Boy, they can waste money.’* We get the public servant saying, *‘No one appreciates how hard I work. But at least (the way the system works) they can’t fire me.’* We get the Heads of Departments at a different level, because they are trying to make the whole thing work, saying to themselves, *‘If the policy-makers would only tell me today what they want done tomorrow, maybe I would survive.’* That is the vision.

Of course, the policy-makers as a rule say they cannot trust anyone. So, we are dysfunctional!

Mr. Roy Bodden: True! I wish they were here getting this lesson in public administration.

Mr. D. Kurt Tibbetts: We have to change the way we do it. I mentioned earlier what I hold very near and dear to me, that the Civil Service should not feel muzzled. They should be able to function.

Mr. Roy Bodden: Hear, hear! They are equal partners.

Mr. D. Kurt Tibbetts: If it is working right, and being done right, what is there to hide? I am making a general comment. I, too, understand that there are matters which are confidential. I have no problem with that. Truthfully, I do not want to know it, because then I cannot make a mistake about it. I have no problem with that. But the ordinary day-to-day happenings, and I have seen it time and time again. . . no one knows where a good suggestion might come from if the working relationships were on an even keel and confidence built. Someone might hear that something is happening and with their experience could say, *'If you thought about it like this, maybe. . .'* Sure. But that cannot happen because they fear their own shadow.

That is how we feel Government should work. When it comes to the direction the country should take, much of what I read from the New Zealand documents can be taken out, fine-tuned to fit our own situation, and acted upon. We will find good things happening for us.

Something you will hear on the odd occasion, but which we consider very important, Mr. Speaker, we need to know or to decide as a country ten years from now what our population should be. We should not be fighting with Immigration policies morning, noon and night reacting to this, reacting to that. Too many people who are innocent are hurting because of it. And at the end of the day we do not know what we are doing. If we could come to grips with that, we would be able to set out a plan to achieve that population level within that given time. But we do not do that.

Immigration policies are continually based on situations that arise. We have reactive measures to those situations, and natural justice never takes its proper course.

Mr. Roy Bodden: Boy, you are speaking like a Daniel come to judgement now!

Mr. D. Kurt Tibbetts: We talk about population growth and population levels, and it extends itself to the very schools. If you know what population you would like the country to have, based on sustainable growth (because that is all in the plan), and you want your people to survive and live the way they have been or better, you would know, based on population trends and statistics, how many bodies you must have schools for. You do not wait until you have more students than the schools can accommodate, you start to build them. There lie your priorities.

It all sounds complicated, but once you get used to it, it is the same as doing your bank deposit—counting your money, putting it in the bank and keeping your balance so you know how much you can spend.

It is probably time for me to rest now. There were a few things, but I think they may be better left unsaid at this point. There will be other times. But the thrust of my argument with regard to the Budget and the Budget Address is that we need to work out where we are going.

The very last thing that came to my mind in a discussion very recently. . . and let me show you the difference between precedent and what is right. As long as this Parliament has existed, we have the presentation of the Budget prior to the Throne Speech. It never occurred to me, because I, too, was stereotyped into the system, but let us think about it: When the Budget process is completed it decides how the money is going to be spent for the next year in the country. Four or five months later, His Excellency comes to the nation to give a State of the Nation Address and state the aspirations for the next year—but it has already been decided how the money is going to be spent.

Mr. Roy Bodden: True.

Mr. D. Kurt Tibbetts: So, which is right?

Mr. Roy Bodden: You have new thinkers on this side now.

Mr. D. Kurt Tibbetts: Which is right? No problems, life has gone on; but that is the kind of thing we need to think about. If we have our policy documents in place when we know how much money we have to spend, we can determine in order of priority how it will be spent and we will know from there on what the priorities will be for next year and the year after.

Mr. Roy Bodden: True. We here are the visionaries of the twenty-first Century.

Mr. D. Kurt Tibbetts: Far be it from me to think I know it all. Whatever I have said today has been gathered from another document or from discussion with other individuals. But I am not for one second afraid to say that my life will continue to be a learning process. I trust that others in here will accept that principle and let us move on to make this country a better one.

I say, finally, in regard to the way the country must be doing business, that I firmly believe that the principles of the reinvention process can be applied to make things a lot better. I also firmly believe that those involved directly with the process, namely, the Civil Servants, are capable and ready for that process to take place; they are anxiously awaiting the change because they want to see better results.

Let us, as elected representatives, whether on the Back Bench, or as Members of the executive arm of Government, do what we must to make sure that becomes a reality, works the right way. Let us throw political expedience out the window; let us do what is right. I am sure when we will fall away from here and go to pasture, we will feel a lot better knowing we made our mark on our country by doing the right thing to plan for the future.

Thank you.

Mr. Roy Bodden: Hear, hear! Excellent. That should show where the vision is—on this side of the House!

The Speaker: Does any other Member wish to speak?
(Pause) Does any other Member wish to speak?

Mr. Roy Bodden: Mr. Speaker, under Standing Order 23(8) I move that the question be put.

The Speaker: I would like to give every Member a chance. Does any other Member wish to speak?

The Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture.

Hon. Julianna O'Connor-Connolly: Thank you, Mr. Speaker.

As I rise to make my contribution and respond to this Budget Address for 1998, which was so eloquently presented by the Honourable Third Official Member responsible for Finance and Economic Development, I would first like to give thanks to Almighty God for His faithfulness, His mercy, love, grace and blessings which He continues to bestow upon me, personally, as well as the entire Cayman Islands. Truly, if we count our many blessings we must be grateful for all God has done for us in our beloved Cayman Islands.

As with most things in life, we will experience many problems. We do not live in a utopia. Regardless of which Government occupies these five chairs across the floor of this Honourable Chamber forming the Executive Council, there will still not be a perfect world.

The Psalmist reminds us “**a nation without a vision shall perish.**” I fully concur. But I also adhere to the ideology that if we continue to prosper financially or otherwise, obedience to God’s commandments must form the central core of this vision for our country. This vision, I daresay, is not solely the responsibility of Executive Council. I make this statement because each Member of Executive Council is elected by the elected Members of this House who are first elected by the people of these wonderful islands. Therefore, I am of the view that this vision should evolve from a consultative process commencing with what our people want, passed on to their representatives and then to Executive Council for formalisation, crystallisation and then implementation.

Permit me, please, to also sincerely thank those Members who supported my nomination, as well as the five other Members across the floor who exercised their discretion not to support the nomination. For the avoidance of doubt, let me hasten to say categorically that whether I received the support of Members has absolutely no bearing in my commitment to serve the people better. That is all of the people, Mr. Speaker.

When I campaigned back in 1996, my motto was (and still is) that I was committed to serve our beloved people of the Cayman Islands better. My commitment remains the same, even as I stand in this Honourable Chamber. Therefore, I will publicly solicit the assistance of all Honourable Members. I feel confident that in the exercise of their civic duty all Members will wholeheartedly support my Ministry—an entire Government for the betterment of the people in our Islands. I look forward to

working closely with each Member of this Honourable Parliament for the betterment of the same.

Turning now to Cayman Brac and Little Cayman, I am happy to say that the special economic incentives which the Government introduced back in 1996 have been extended for a further year. Further, Cayman National Bank has extended the special mortgages to July 1998. Both of these moves have met the objective of jump-starting the ever sluggish economy on Cayman Brac in particular. The construction and real estate industries have started to show some positive signs of revival. Consequently, we are slowly beginning to see a positive ripple-down effect on Cayman Brac.

I am encouraged by confirmation of the Honourable Third Official Member responsible for Finance and Economic Development in his Budget Address that the proposal for the Strategic Development of Cayman Brac is now under consideration. The Committee which was set up some time ago, the Brac Economic Steering Committee, now a full Committee, has worked long, hard hours showing their dedication and commitment to Cayman Brac. I am of the view that they are concerned citizens desirous of working toward a better Cayman Brac and Little Cayman. I now recommend that the priority which the Committee spent time formulating be given serious consideration by the Government and the entire House with the view of reaching the implementation stage as soon as possible.

Further, I believe that much can be gained in regard to the Brac if attention were also centred around sustainable economic growth and efforts directed at identifying projects or any other viable and practical thing that would achieve this goal.

Mr Speaker, the following are but a few of the things I believe will assist in this journey towards achieving sustainable economic growth on Cayman Brac:

1) Approved air transport link with Grand Cayman and the United States.

2) reduced telephone tariff between Grand Cayman and Cayman Brac and Little Cayman rather than the extremely high rate which the residents there now have to pay. I believe if this is done, it will not only assist the residents of Cayman Brac and Little Cayman, but will serve as a positive catalyst for encouraging businesses to bring some of their office work to the Brac in particular.

3) Relocation of Government back office work to the Brac. This is an area that has been discussed year after year. On behalf of the people, I would be extremely grateful to see the first move in this direction, as I believe our people have waited long enough for this to occur.

4) Augmenting the Planning Office by increasing the staff complement on the Brac. I would like to thank the Honourable Minister for Education, Aviation and Planning and the Government for voting the funds this past year so that the Planning Office can, after such a long time, have a proper facility in which to operate and to accommodate the growing needs of the public on the Brac.

5) I believe that the construction of a hangar and a maintenance facility at the Gerrard Smith Airport would also be a move in the right direction, especially if there is

a private person wishing to do it. That would obviate the need for Government having to spend this money, which could be used in many other crucial areas, either on Cayman Brac and Little Cayman or Grand Cayman.

6) Looking at the possibility of the creation of a free trade zone, this has been flirted with, but I believe the time is right for this to be further pursued. If pursued in the right direction, I believe this can help to sustain economic growth in Cayman Brac.

7) Improvement to the West End Channel. The need for this was so very evident during the visit of the cruise ships since November 1996, when problems were experienced with this very dangerous channel. I can speak of this first-hand as I was present on the Brac for the first cruise ship arrival when we had the unfortunate mishap. I found myself in the sea with water almost to my shoulders trying to salvage the situation. We all know that the tourism industry is a very fickle and delicate industry. If we want to see cruise tourism prosper on the Brac, it is my humble and respectful opinion that we must be prepared to put in the necessary infrastructure to facilitate this industry.

8) Relocation of the landfill site on the Brac. Again, this has been an area talked about for many, many years. I am happy to see allocation in this year's Estimates for this to take place. I look forward to this actually being passed. The site is presently located in one of our prime areas for hotel/condo and tourism development. To say that its present location is not aesthetically pleasing is an understatement.

9) Extension of the Water Authority pipelines throughout the entire island. The former Minister of Community Development, as I understand, while visiting the Brac with Executive Council some months ago, gave an undertaking to have these waterlines extended. Although this responsibility no longer rests with my Ministry, but has been passed on to the Honourable Minister responsible for Agriculture, Environment, Communications and Works, I have every confidence that he will honour the undertaking of the former Minister. But, more importantly, he will do all that is possible to meet our people's needs.

It was encouraging to note that all the main sectors of our domestic economy recorded good growth in 1997. It is also important to note, however, that this does not necessarily reflect all three of the Cayman Islands. Those figures would basically reflect the situation on Grand Cayman, as Cayman Brac and Little Cayman did not experience this degree of prosperity. Nonetheless, the people of Cayman Brac and Little Cayman are extremely appreciative of all the efforts being made to stimulate their economy.

Moving on to the area of tourism as it related to the Budget Address, there has been a small tourism office established in the West End of Cayman Brac in the vicinity of the West End Community Park. I daresay that the location is a very appropriate and aesthetically pleasing environment for both the domestic and international tourist.

Further, the sinking of the Russian Destroyer, the *MV KP Tibbetts*, has proved to be a project which was

visionary—one that attracted much criticism at the time it was sought to be implemented. It has proved to be one of the most popular dive sites both for the local as well as expatriate tourist divers who come to our shores. This certainly has acted as a positive catalyst in stimulating our dive industry in Cayman Brac in particular.

It is also hoped that cruise tourism will once again get off to a healthy start on the Brac. We realise that we are in need of infrastructural development to implement this venture. For example, the docking facilities are in need of extension and repair. I look forward to this project being started in the very near future and seek the support of all Members, as I believe this is a project that should be prioritised and contained in any Budget.

Further, I believe that the West End Channel needs to be improved. I am happy to see that a figure has been put into the 1998 Estimates to do this. If the funds prove insufficient, I ask all Members to render their whole-hearted support, because in so doing it would allow the people of Cayman Brac to achieve the goal of being financially independent, and we will not have to come to this Honourable House so often seeking support. Until that time, I ask Members to continue to give their vote, be it sympathetic or otherwise, for the betterment of those people who are Caymanians as well.

Like the Honourable Third Official Member, I too anticipate that with the help of Almighty God, 1998 will be a brighter year for Cayman Brac and Little Cayman and Grand Cayman. I note, however, with an element of concern, that recurrent expenditure is up by 9.5% over the 1995 figure projected by the Treasury Department. I am also fully cognisant that our people continue to require more and more services. This is not uncommon in an affluent and service-conscious community as we have here in the Cayman Islands. But there has to be a balance with the issue of affordability and whether or not it is economically feasible.

Of course, there will always be exceptions. And any good Government should have the inherent flexibility to accommodate such exceptions.

Mr. Speaker, I see that it is nearing the time, and perhaps we could take the break now, as I plan to move on to a totally different area.

The Speaker: We will suspend until 2.30.

PROCEEDINGS SUSPENDED AT 12.39 PM

PROCEEDINGS RESUMED AT 2.55 PM

The Speaker: Please be seated. Proceedings are resumed. Debate on the Appropriation Bill continues. The Honourable Minister for Community Affairs, Sports, Women, Youth and Culture.

Hon. Julianna O'Connor-Connolly: Thank you, Mr. Speaker. Continuing my contribution to the Budget Address, I would now move to the Kirkconnell Community Care Centre in Cayman Brac. Indeed, I am extremely grateful that this Centre has now been placed with my

Ministry, and I am thankful for the support Government and this entire Honourable House has given to this Community Care Centre. It is quite obvious that it was a very needed service, as already there are a number of persons who need to be in this facility, but because of space limitations, or fiscal restraints, they cannot be accommodated presently.

I am also delighted to see that there is an allocation in the 1998 Estimates for air conditioning of the rest home, as presently the elderly there are experiencing much discomfort under such hot and humid conditions. Mr. Speaker, I am also grateful for the assistance which Government has given to the residents of the Brac who were badly affected by severe flooding in June of this year. However, presently there are still persons remaining who were affected by the flood, and have not yet been assisted because of time and fiscal restraints. But, as we Caymanians have always been a caring, considerate and generous people, I believe I am safe when I say that all Honourable Members will support the financing of this humanitarian act.

Mr. Speaker, I fully realise it is sometimes easier to cut areas where the tangible results are slow in coming, but I would implore all Honourable Members to continue to support the social needs and welfare of our three Islands because, Mr. Speaker, unless we pay special attention to the needs of our people, irrespective of what district they come from, we will in effect be inciting a cancerous social cell which will ultimately determine our future success. Mr. Speaker, the family is a basic, fundamental building block in our society. It is not a machine, but it is an emotional entity, and money and time spent to improve family life will benefit the entire Cayman Islands.

Sir, we are also entering an era where persons are finally becoming more aware of their culture, and having the courage to ask questions like, Who am I? Where did I come from? Where do I want to go? And what role does my culture have to play in this journey of life? Mr. Speaker, unlike some segments of our society, I am of the persuasion that we do in fact have a Caymanian culture, which is by no means static, but continues to evolve as time moves on. Again, this is an area with which my Ministry is concerned, and I am grateful for the support of all Members in this regard. I am of the view that this is but one area whereby our educational institutions, be it private or public, can formulate a partnership, and they can be a vehicle whereby our Caymanian culture can be taught and experienced.

Cayfest is but one area, Sir, that the Ministry utilises to initiate and facilitate the awareness and actuality of culture in our community. Cayfest incorporates a diverse number of events, which are continually being improved upon, and with the requisite funds being made available, the Ministry looks forward to having a bigger and even better Cayfest in 1998.

Mr. Speaker, I am also grateful that there is an allocation for improvements to the museums, and the Ministry is pleased with the great strides which have been made by both the Archives and museums. The Ministry is of the view, Sir, that we must preserve our history, be-

cause if we do not know and appreciate where we are coming from, it is going to be all the more difficult to know where we are going.

Mr. Speaker, a definitive history of the Cayman Islands was commissioned by the Ministry and the past Minister, and this, I am pleased to say, is progressing quite well, as the first and second chapters have already been drafted.

Turning now to the issue of sports as it related to the Address, I believe that sports (as are most, if not all, the responsibilities given to me), are extremely dear to my heart. The Budget Address forecast for 1998 is that it will be a bright year, and the continued unwavering support of sports in our Islands, if continued by this Honourable Parliament, will certainly bring a brighter year. During the past few years, our country has had to play "catch-up," as far as sports is concerned, due to the fact, in my humble and most respectful opinion, that more consideration and priority should have been given. Because of that lack, it is only in the past few years that the Cayman Islands have been given due attention in the area of sports, and a considerable amount of money, I am happy to say, has been expended by the Government. Without fear of contradiction, this has proven to have been a very intelligent and prudent investment. Sports has numerous benefits, and it is my intention to fully publicise these benefits and present them in a more detailed fashion during the Throne Speech response in the upcoming session early next year.

It was indeed a delight to have been afforded the opportunity to open the Women's Centre yesterday afternoon. I would like to once again publicly thank the Mover and the Seconder of the Motion brought in 1995 by the lady Member from North Side, and the past lady Member from George Town, respectively, for their foresight and vision in bringing such a timely Motion to this Honourable House, and indeed, for the past Minister, his dedicated staff, and all Honourable Members who saw fit to support the Motion.

In the midst of such prosperity in the Cayman Islands, our families are under very severe stress, and other social attacks. We must therefore, in my view, commit to repair the breach, and to do all that is within our power to assist in this regard. This Centre, Sir, is but a small step in the right direction. But what is significant about the opening of the Centre is the fact that it is the right step. I trust that all women will avail themselves of this lovely facility, and I look forward to the day when all realise, and live their lives to reflect, that love is not abuse, and abuse is not love. May we quickly approach the level of zero tolerance when it comes to domestic violence and other social ills. Mr. Speaker, as we plan for 1998, let us set our priority to being a unified Caymanian group, with love being the golden clasp holding us each together.

I am a firm believer in successive planning, and that planning must be a consultative process. And, speaking for myself, having been involved in the planning process in these Islands for a number of years as it relates to the physical development, I know it takes much more than

mumbling and grumbling to carve out a policy, and to this end I look forward to constructive criticism during the next three years.

Mr. Speaker, I believe that one never stops learning, and I am open to any suggestions and/or recommendations that will improve the well-being and life of my beloved people in the entire Cayman Islands. Mr. Speaker, my colleague, the Second Elected Member from Cayman Brac, and indeed all the residents of Cayman Brac and Little Cayman, continue to be extremely grateful and supportive of all the positive efforts being made by the entire Government, be it Back Bench or Executive Council, with respect to these two Islands.

Mr. Speaker, again speaking for myself, and being fully cognisant that I am bound by collective responsibility—but for me, I have my own connotation of that, and I trust it will not contravene the traditional interpretation—but I believe that collective responsibility is only a challenge for one to improve the art of negotiation, and that although those negotiations are to take place, for the most part, in private, it does not mean, certainly for this Member, that my brain will be going into hibernation for the next three years. I would ask that all Honourable Members first think of ourselves as Caymanians and not merely as politicians, and may we use this element—the Caymanian element—as a bonding agent in all our deliberations. Let us therefore purpose in our hearts, mind, body and soul, to continue to remove self, thereby placing our country, our beloved Caymanian people and their needs, where they rightly belong—first and foremost.

Our youth, Sir, are looking on. Our elderly are looking on. Our churches are looking on. Our middle-aged are looking on. And most importantly, and most significantly, God our Creator, is looking on. Let us all strive to put Him in full control, and then and only then will our vision for the Cayman Islands be perfect, satisfying, and complete. Thank you.

The Speaker: Does any other Member wish to speak? The Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

Hon. Anthony S. Eden: Thank you, Mr. Speaker. I too will try to be as brief as possible. Everybody knows the length of time we have been in the House, and still a long way to go. There has been, in recent days, quite a maturity in the approach of business to this House, and I feel that this is something we can all look forward to as we continue working toward making Cayman a better place for all.

Mr. Speaker, the Budget Address delivered by the Honourable Third Official Member, was quite upbeat. He outlined the improvements we have made with the introduction of the Cayman Islands Stock Exchange, the long-anticipated introduction of the Monetary Authority, and I think in the years to come we will see the dividends from taking this bold step, as many of the other countries in the areas around us have similar vehicles in place.

It was suggested that there was a failure in leadership that may have caused the major problems associ-

ated with First Cayman Bank. I personally do not support that train of thought. What has been presented to me, Mr. Speaker, is that what really happened there was that a handful of mischievous people took advantage of the system, and brought ill repute to the Bank. But we have to allow the machinery that has been in place, not only for a situation like this, but has existed for many years in these Islands, which is that when these difficulties occur, they will be addressed through due process of law. This is what we are looking forward to. We must not circumvent the system or undermine it, because one of the biggest assets of the Cayman Islands is the respect people have for our financial industry.

We must be careful with what we do, and how we deal with, not only the local situation, but the foreign involvement. We spent many long hours, seven days a week, trying to alleviate this problem, and we honestly felt it could be salvaged, but it so happened it was not possible, and we had to take the necessary action. As the Honourable Third Official Member said, investor confidence is central to the continuing success of our well-nurtured and well-managed financial industry. In light of what has happened, I feel quite certain that when the depositors' insurance legislation is brought to this House, it will be supported. I look forward to that. It is like locking the gate after the horses get out, but it is never too late to do good, and this is what we are attempting at this time. With the combined efforts of all Members of this Honourable House, this will go a long way toward protecting our people from a similar tragedy in the future.

Touching briefly on development in the Sister Islands, Cayman Brac specifically, the initiatives have been put in place; we have hired a project manager to assist us in going forward; and on a recent visit we all saw the positive results in Cayman Brac. We must address this situation, Mr. Speaker, because if we do not, down the line it could become a huge liability to all of us. We must provide for Cayman Brac and support whatever infrastructure needs to be put in place there. I still think and feel that there is a lot of back office work that could be done over there. They have one of the finest infrastructures per capita of any island in the world, and it is time we put in place what is necessary to bring that beautiful Island back to a decent way of making a living.

The National Health Insurance Law, as we know, was passed in June; also, the National Pensions Law, which covers all employers and employees in the Cayman Islands, with a five-year phase-in for contributions by eligible employees. An insurance scheme was supported years ago, by all Members and people of the Cayman Islands. We must face reality, not only with insurance but with pensions. What are we doing? It is time we encourage our people to save for a rainy day. We cannot go into the twenty-first century with the philosophy that Government must continue to help and help. We help when it is needed, but the people must make provision for their futures. None of us can face the burden of having to repay the cost of medical care if we have to go overseas because of a serious accident or illness. Naturally it is going to cost a few more dollars, but what will it save the people

and this country down the line if we gently introduce this? Teach our people! It is our responsibility to let them be aware that it is time to act responsibly and prepare where they can for easing their burdens. Naturally, not all people can do it, and Government will continue to do what it has always done in the past, help those who are unable to do it. But those who can, I say, they should help provide for these services.

It was good to see, regarding the inflation rate, that it was less than two percent for the first half of the year. Yet, we expect an overall growth of over five percent. When we compare this to the other countries around us and throughout the world, I would like to have some of the chronic complainers go around and see some of these places, and then they will much more appreciate how blessed we are in the Cayman Islands. As previous speakers have said, we need to work together to keep that. We must strive toward keeping and making Cayman a better place, and it can only be done with all of us working together for the good of these Islands. There is no place on earth, Mr. Speaker, like our beloved Cayman Islands, and it is time we stopped the negative rhetoric and criticisms, trying to constantly tear each other down, and start working to make these Islands a better place for all of us to live in.

In the Third Official Member's effort to continue to make Cayman the leading financial centre it now enjoys, he has put in place a lot of programmes. One of them that has been very successful is the PSCC—the Public Sector Consultative Committee—where members of the private sector join with Government in planning for the future of this country. This has been very successful, as we have seen when we had to deal with the Proceeds of Criminal Conduct Bill last year. We spent many, many hours bringing this to a solution, one that not only Government could live with, but also the private sector. It shows, Mr. Speaker, what can be done when we work together. When we travelled to the United Kingdom for discussions, we were able to take some of these people with us, and, thank God, we have been successful.

As the Third Official Member said, mutual funds, the most dynamic branch of the financial industry, showed an almost thirty percent increase over the year. When we encourage offshore financial companies to come in here, we have to put fewer taxes on our people. The more we can encourage and make this a better place for people to invest, to establish the confidence they need here, the better off it is for our Caymanians. This confidence has gone over to the banking sector, where we now have almost 600 banks at the end of September 1997. Forty-five of the top fifty banks are now registered here. This indicates to me that we are on the right track. We are doing the right thing, and we must continue this approach by working together with people in the private sector, and, as is evidenced in the last few months, involving all Members of the Legislative Assembly.

Mr. Speaker, regarding tourism, once again the results are there. The efforts put forward by the Honourable Minister have been successful, and it is now said that the Cayman Islands, especially for the tourist ships, is the

destination of choice. We have to be aware of what is going on, and continue to work toward making Cayman a better and safer place for all of us to live, thus encouraging the foreign investor.

The development of Pedro St. James Castle, and Her Majesty Queen Elizabeth II Botanic Park—it is a special feeling when you go out there and see what we have been able to put together here, and for visitors to see this. It brings back some fond memories, Mr. Speaker, of the little old house with the sand yard and the conch shells of the olden days. These are the days when we were younger and growing up, the days when the men were at sea and the women took care of Cayman. Those are the days that in certain respects Cayman has gotten away from, and we are now suffering in the development of some of our young people, but it is time that we get back to those days.

Continuing to look at the banking situation, total deposits amounted to \$402.7 million, an increase of almost eight percent. Fixed deposits were \$243.6 million, demand deposits \$80 million, savings deposits almost \$80 million. It is evident by these figures that maybe Government cannot save money, but the private sector, the people out there, are putting up a nest egg for themselves. I too look forward to the day when so many demands are not placed on Government that we can build a reserve, that in the event of any problems, we will be able to deal with them.

I remember earlier this year, when we introduced certain revenue measures, when we increased, on the Seven Mile Beach area, Stamp Duty from 7 1/2 percent to 10 percent. Doomsday speakers said we would kill development in this country. But according to the figures, Government revenues from land and property transfers increased significantly over the period, from \$15.8 million to \$17.8 million. We asked these developers to help contribute toward Government's expense in developing the infrastructure to make the Planning Department a financially viable section. It was no more to break even. They fought us all the way, but it did not kill what we did there.

Construction amounting to \$214.6 million was approved in the first nine months of the year, a 35% increase over the same period last year. Once again, when we asked the developers to help bear the burden of the expense, it was going to run people away. Thank God, that did not happen. The burden is not as heavy on central Government as it was in the past. As the Honourable Third Official Member responsible for Finance and Economic Development said, the prospects for economic growth in the domestic economy in 1998 continue to be bright.

Regarding the Public Service Pension Fund, there has been a significant increase in the reserves put there. By the end of 1998 it will be over \$40 million. This is a significant improvement over 1992 when this Government took over. We will continue to support this Pension Fund because the people who have worked hard for many years should know with confidence that upon their retirement there will be money for them.

When the First Elected Member for West Bay put forward the Housing Reserve Fund, there was much controversy. But it is pleasing to know that some 178 loans valuing \$17.3 million have been approved, and that \$6 million of guarantees have been issued. Once again, thank God, no guarantees have been called to date.

With regard to the Public Debt, I agree with previous speakers that it is a bit high. Thank goodness we can easily service it. As indicated, it is less than seven per cent of recurrent revenue, well within the ten per cent debt service ceiling established by Government. We must not allow it to get out of hand. These are times of economic boom and it is time that we discipline ourselves with regard to capital development in this country, and slow things down a bit, so when the economy slows we will be able to generate work.

I agree that we should not have to continue to get loans for capital development. But let us look at what this money is used for: road works—and everybody knew we had to do something on the West Bay Road, the Harquail By-pass. It was significant to learn that a project that had been estimated to cost between \$7 million and \$8 million is probably coming in around \$5 million. That does not happen too often.

We spent money on schools and health services. The greatest quantum leap in the history of these islands has taken place in the last two or three years. I will go into more detail on that later on. Mr. Speaker, it seems like we are constantly trying to catch up to the economic boom that has brought pressure upon us to provide services. It is time we looked at more involvement from the private sector, as we know that we have a very limited tax base.

Much has been said about the reinvention of the Government Service. This is a new and exciting approach. We must attempt to make a change. We owe this to our people. Cayman cannot continue to do business as usual. In the approach indicated for the reinvention of the public service, the philosophy put forward, the customer is king. Look under each stone and question everything. We will learn from other people's mistakes, but we will use a unique methodology for the Cayman Islands. This is a revolutionary approach to doing business in the Cayman Islands. We have to look at it in detail and apply it as it works in our system. The only way to achieve change is to work together. How true that is.

The public service vision for the future is result-oriented, performance-based, empowered managers, increased accountability, partnership with the private sector. Continual change is involved in this new approach, the use of unique methodologies and above all involvement at all levels. There must not only be a perception of change at the top, it must go right down to the bottom of the ladder. Everyone is involved in this approach. They must feel part of the system or it will not work. As I have been able to have a team approach in my Ministry, we have been quite successful in involving everyone.

In regard to the approach to this by the Health Services Department, I am not bragging, but I am very proud of the department's involvement, and there have been

marked improvements from using the reinvention approach. I must add that we will not rest on our laurels but will continue to strive toward better overall services.

Even in the area of the Budget, and I do know that the presentation has been different, but we must take this approach now. We cannot wait until our economy starts to slow down. I do not know about anybody else, but I am fed up with the way we approach the Budget. It is time we run this like a business. Under this new approach, the Honourable Third Official Member responsible for Finance and Economic Development can lead us into a new era when it is approached in that matter.

There is no intention to deprive Members of the Legislative Assembly of necessary information. In my attendance at the meetings of the reinvention of Government, documentation needed could come as an appendix. But I am sure that no one will be deprived of that information to make a decision on what Government Departments and Portfolios are doing. But we must decide to do something about the approach. There must be a change. Wherever we need to put the necessary documentation, let it be put there. The approach now being used must be changed and we should no longer tolerate the many hours that legislators and the public service personnel have to put in to put this Budget document together.

I would now like to leave the Budget debate to comment in depth on the Health Services Department and regarding an editorial in the *Caymanian Compass* of 18 November 1997. It was entitled 'Health Care Personnel' and it is worthy of comment because it does pertain to this Budget. I crave your indulgence to go into detail, as it is a significant part of the Budget. I think I must enlighten not only the House, but the public, on the approach we have been taking over the last four years.

I think it is fair to paraphrase this editorial by saying that it registered surprise at the number of new staff required for the Health Services Department, very many of whom of course are necessitated by the coming on-stream of the new Hospital. Clearly, the editor is wondering if all these posts are necessary, because she writes, **"Caymanians want good medical facilities and adequate, well-qualified personnel, but they do not want extravagance."** That is true, Mr. Speaker. We must not put up at any time, not only in the Health Services, but anywhere else, with extravagance. She further hopes, and I quote, **"that the need for such extensive increases in health staff will be fully explained and justified for members of the public."**

Mr. Speaker, I have no problem in general with the editorial. Concerns about increases in the civil service complement are quite understandable. The country cries out for more and better services, and these only come by increasing recurrent and often capital expenditure, as has been indicated by several speakers prior to me.

In the case of the Health Services Department, the editor is correct. Caymanians want excellent facilities, and staff, and more services available here on the Island. Not only that, they want, and justifiably, in my view, more and better services at the district level, be it an ambulance service in each district, more doctors' clinics during

the day and evening in the health centres, or more home visits by doctors, nurses and other health care providers. These increased expectations, combined with a steady growth in the population, have led to greater utilisation of services and a resultant strain on existing services. These are all embodied in the Health Strategic Plan. They are also attested to by repeated demands on the Health Services Department and the Ministry of Health, to provide the type of health care that is vital to the country at this point in its development.

Mr. Speaker, I think we should all bear in mind that many Government sectors such as Education have gradually expanded over a period of time, perhaps so gradually that they have hardly been noticed. But the situation with respect to the Health Services Department has been different. With no private general hospital facility to assist in providing services, the Health Services Department has experienced a very significant increase in the utilisation of all services. I would like to read a few comparative statistics between the years 1990 and 1996, to show the sort of pressure which has put an intolerable strain on the Health Services Department:

Outpatient visits	45,533	61,777
District clinic visits	24,322	36,339
Laboratory tests (local)	117,212	260,944
Prescriptions (an area in which many people expressed concern in 1990)	78,885	133,623

These are just a few figures to demonstrate the ever-increasing demands on the Health Services, a demand not matched by a corresponding increase in staffing. In order to keep the health care system running, considerable overtime had to be paid. For example, from January to the end of September 1997, overtime paid was \$1,446,517. If we prorate this to the end of December 1997, it would equate to \$1,928,690.

I may add, Mr. Speaker, that quite apart from having to pay out such substantial sums in overtime to keep up with demand, it is not desirable to have already over-stretched personnel stretched even further, doing double shifts with only a short rest between. It is under circumstances such as these when exhausted staff make mistakes, raising the possibility of Government incurring serious and very costly liability claims.

Mr. Speaker, we are expending the money, but at the same time running the risk of liability claims. At present it is necessary, but it is a state of affairs that must be remedied and will be remedied when these new posts are filled.

Following on from this, there is a need to get away from principles and practices which may have been acceptable years ago, when the pressure on services was not so intense, but which are inappropriate as we prepare for the twenty-first century. Some of these examples are: reduced staffing during the so-called "silent hours"; restricted hours in some support departments, for example the pharmacy, X-ray, laboratory; increased waiting time for appointments in all the main specialities; inappropriate

use of highly paid, skilled staff to do not only their own jobs, but that of executive or clerical officers. The failure to match staffing with increased demand began to be addressed in 1996, but it is only with the coming on-stream in 1997 and 1998 of the new Health Services Complex, and the more than one hundred percent increase in space and beds it provides, and the building between 1995 and 1997 of four new ultra-modern district health centres, that it has become possible to provide the quantum improvement in health care services that has been so urgently needed for so long.

Mr. Speaker, unlike in the case of other Government departments, the fact that we are bringing the Health Services up to required staffing levels within a very short time-frame of two or three years, people are quite understandably sitting up and taking notice. Had it been done over fifteen or twenty years, the increase would not have been so visible. In determining the new staffing resources that are required, the Health Services Department and the Ministry have had to satisfy themselves that all requested posts could be justified on any of the following grounds:

- (a) remedying an existing shortage;
- (b) providing enhanced services;
- (c) providing necessary new services.

Mr. Speaker, for over two years the health services facilities review committees met to determine what services were at present stretched to breaking point. Which ones required expansion? What new services were essential, given the ever-changing size of the population and the nature of its needs? A careful analysis was made of mortality and morbidity patterns, that is, patterns of death and disease, in order to ensure that there was a match between the requested new services and the need for them.

In order to address the problems of the understaffed nursing services, a staffing plan was prepared, utilising recommended international staffing guidelines, and taking into account the requirements of hospitals' three-shift system, running around the clock for 365 days a year.

I would like to share with the Honourable House some of the figures taken from the PAHO/World Health Organisation 1996 Basic Indicators, regarding the health situation in 48 countries of the Americas, of nurses per 10,000 population, just to give an indication of comparison with other territories and the Cayman Islands: Canada had 95.8 per 10,000; Bermuda, 88.6, United States of America, 87.8; Cuba, 75.2; French Guyana, 73.2; St. Kitts-Nevis, 59; Cayman Islands, 51.8.

So Mr. Speaker, when you look at the 48 countries in the western hemisphere, and when you see where we were with our staffing ratio, we can now better understand the significant improvement that had to be made.

Mr. Speaker and fellow colleagues, we have a choice. We can make a change, a significant change. It is up to us to do that. I would like to stress this last point because it is one which is often forgotten, Mr. Speaker, and that is with regard to the personnel at the Hospital having to work 365 days of the year. The general public may not be aware of this. Most institutions have set,

regular hours of opening and closing, including weekends and public holidays. Not so the Hospital! It is open twenty-four hours a day, seven days a week, not excepting even the major holidays of Christmas, New Year's and Easter.

But rather too simply, I admit, Mr. Speaker, the three-shift system means that where a normal 8 to 5, five day-a-week institution requires one person, the hospital would require somewhat in excess of three, to cover three shifts, that is twenty-four hours for seven days per week. This is an important factor, Mr. Speaker, in the large number of posts we are seeking to have approved and filled.

I spoke earlier of the need to remedy existing shortages. After a close analysis of this by the Health Services Department and the Ministry, we have identified that between 35 and 40 of the new posts being sought in the last year's and this year's budget, bring the Department up to current required staffing levels. So we are still in the process, Mr. Speaker, of trying to catch up.

The second purpose of the new posts is to cover the expansion of services currently offered. I will try to cover this briefly to help clarify our need for substantial increases in staff. The present facility is some 56,815 square feet, and has around 55 beds. We have all heard complaints about no beds being available for inpatients or inpatients located in corridors. And Mr. Speaker, at the stage of development in this country, this should never happen, and it is because of stupid politics, one person, one Minister or Member trying to outdo the next one. I have even had Parliamentary questions directed to me about this, and the other related matters.

Mr. Speaker, we all agree that this cannot go on. But when we took over in 1992, we all made a decision what we would do with the Health Services in this Island, and thank God, in a year or so, we will see that come to fruition. The new Hospital has 128 beds and encompasses some 152,652 square feet. It was designed by the Facilities Review Committees to meet the existing, the short-term, medium-term and long-term health care needs of the people of these Islands. Mr. Speaker, I must add, when those of you who have had the opportunity to visit there (and I will arrange another visit in due course), the nonsense that is going around about this being a refurbished and a renovated Hospital is pure hogwash! How can you add almost 130,000 square feet of new space and call it refurbishing and renovating?

The first building we put down there was a 10,000 square foot materials management building. We put that down, Mr. Speaker, because we were paying over \$100,000 a year in rent outside, just to store our facilities. It is my understanding that the materials management design for the first site, the old Hortor site, was 4,000 square feet. Mr. Speaker, right now, if you look inside the 10,000 square foot building we have built, it is almost filled to the top. All I am saying is that in less than no time, if they designed something for 4,000 square feet, already they would now have to be building or looking to expand that site.

Mr. Speaker, this is not my Hospital, this is not National Team Hospital, this is a Hospital designed by the technical people, the medical people of this country, and this is why, thank God, we have been able to have the success and the support—overwhelming support—of all the people regarding its development. The morale is at an all-time high. With the help of God, the whole country will be proud of what we have been able to accomplish without involving politics. The physiotherapy services have been expanded and will continue to be expanded; we will also be developing the laboratory, mental health—we have lagged so far behind in that, Mr. Speaker—the pharmacy, X-ray, all of which have been operating under unacceptably restricted conditions because of a lack of staff, and importantly, a lack of space to locate additional staff. I said earlier that the Health Services Department and the Ministry had to satisfy themselves that all requested new posts could be justified because they either remedied an existing shortage, provided expanded services, or provided a necessary and new service. I stress *necessary* because, of course, if we were to be guilty of extravagance, as the editor of the *Caymanian Compass* puts it, there is no end to the services we could provide. My Ministry, the Department and I are very serious and responsible about every aspect of this project, staffing not excepted. The only new services which we will be introducing are those which this country needs to ensure an excellent and affordable health care system.

Mr. Speaker, I would like to comment briefly on some of these new services which have been or will be introduced:

(a) general practice services: The fundamental of medical care, namely, family practice, has hitherto been a very obvious omission from the Health Services. This has now been established and we will provide more general practice clinics in the districts, home visits, well woman and well baby clinics;

(b) cardiology: Cardiovascular problems are the biggest cause of disease and death among residents and visitors to the Islands. With the appointment of a cardiologist, we will very greatly improve our ability to carry out cardiological investigations with the resulting savings coming from a decrease in overseas referrals.

(c) imaging services: A new solid state spiral CT [computerised axial tomography] scanner and additional ultrasound capabilities will enable far more in-depth investigation, and lessen the need for local and overseas referrals. Mammography will also be introduced, Mr. Speaker.

(d) intensive care unit: This is an expensive but absolutely vital service. In 1998 we will be opening a new, fully equipped and fully staffed intensive care unit, which exceeds the Level II standard for ICUs in the United Kingdom.

(e) casualty: Those of us in the past, Mr. Speaker, who have visited that department will welcome a new, fully staffed emergency room equipped with first-class monitoring systems that will be opened in 1998. Sadly, Mr. Speaker, accidents are the fourth most common cause of death among our residents, and in fact, in the

age group 15-44 years, they are the most common. 58% are road traffic accidents and 16.2% are drownings. Clearly our emergency service must be of the highest quality.

(f) dentistry: It is hoped to appoint a dental promotion officer next year. It is well known world-wide these days, Mr. Speaker, that prevention can save millions of dollars in the long term. This officer would work closely with the school dental programme, and is expected to have a significant impact on improving the state of the dental health of our people in the years ahead.

I would like to conclude this part of my speech, Mr. Speaker, by saying a few words about the number of nurses being requested in the New Services part of the Budget, as I promised this morning. Nursing staffing is critical, not only because it is costly, but because it also relates specifically to the care of patients. Staffing to meet patients' needs is not done in a vacuum. Far from it, staffing is influenced by many factors, and at all times, quality and cost must be balanced. There are many variables that impact the human resources requirement of staffing, and these were considered when the staffing requirements for the new facilities were made. Some of these variables are international staffing guidelines, consumer expectations, nursing service philosophy, overtime costs, staffing policies and scheduling plan, patient needs and requirements of care, vacation, illness, rescheduling requests, days off, public holidays, study days, emergencies, addition of new programmes for services and new technology. Consumers are demanding more and more of health services, and in an effort to satisfy them, it is important to make changes. These changes can be extended clinic hours or more sophisticated care delivery systems, such as those to treat trauma and the critically ill.

For Members' information, the Chief Medical Officer is a specialist in trauma. In the past few years, because of his initial care, a number of lives have been saved. When the patients got overseas, they learned that without that initial care, they would never have lived to get there. Also, for probably the first time in our history, the Chief Medical Officer is now listed in the MPS, the Medical Protection Services of the United Kingdom, a directory of expert witnesses. That means if they had to go to court and needed expert testimony, this gentleman could be one of the persons they utilise.

We have come a long way, Mr. Speaker, and we still have a long way to go, but by working together we can get much accomplished. The days when the general nurse is the accepted norm are passing, as nurses are now specialising in neonatology, maternal and child health, paediatrics, cardiology, coronary intensive care, and surgical intensive care, among others. In order to fulfil our mission, we have to recruit to provide the highest care possible to meet the needs of our patients. Mr. Speaker, the *Caymanian Compass* editorial says, and I quote, **"There are four more midwives. Will people have more babies once the new Hospital is completed?"** No, Mr. Speaker, that is not the point! The point is that the maternity unit has been understaffed for the

past four years. As a result, the situation necessitated significant expenditure for overtime, and the part-time employment of additional midwives. The purpose-built modern maternity unit in the new Hospital will have fourteen beds and will be able to deliver a higher level of care, including the care of high-risk cases, which would normally be referred overseas. At least two midwives will be required for each shift, three times a day, 365 days a year. This is where the addition of those four new midwives comes in.

I could go on for some time about such things as the new and expanded maternity and paediatric units, the three new operating theatres and so on, but I think I have said enough. This is not merely an upgrading of services, this is a quantum improvement in the provision of health care in these Islands. Of course, it comes with costs attached. I anticipate that when Finance Committee meets, Members will wish to question the Health Services senior personnel about these new posts. I know they are more than willing, and very able and capable to explain their needs, as they articulated last year when they came here.

Mr. Speaker, I would like to conclude this part of my debate by letting Honourable Members know that my Ministry and the Health Services Department are very conscious of the cost implications of what I have called this quantum improvement in the provision of health care, and we are going to do all we can to enhance revenue collection and effect savings. As another comparison from the World Health Organisation report of 1996, for the 48 countries of the Americas, the Cayman Islands in the early 1990s was ranked 27th in the region in percentage of Gross Domestic Product spent on health, at 4.7%. We have seen a significant improvement in that in the last few years, and I am thankful to this Honourable House for their wholehearted support. I cannot do it alone, Mr. Speaker. It has to be done by all of us.

As far as savings are concerned, we have estimated, based on 1996 figures, that once the Hospital is up and running, we will save over a million dollars on overseas referrals. Using 1996 figures again, we estimate that we will save a further \$371,000 on local referrals by being able to provide the services in the new Hospital. The outlook on revenue collection in the year ahead is decidedly better than it has been in recent years. In 1996, the Economics and Statistics Office estimated that actual revenue collected in the year 2001 will be in the region of \$25 million. This projection was based on several still valid assumptions, including the following: paying patients increase by four percent per year, based on the rate of population increase in Cayman; increase in patient use of about 67% with the introduction of the new services and the increase in bed capacity; increased collection of fees to about 90% brought about by the implementation of the National Health Insurance Plan; the increase in fees charged to realistic levels by the year 2001. We all know that in comparison to the services offered, the collection rate is low. Right now, Mr. Speaker, we are collecting about 30% of the costs of services we provide. We have to take a serious look at what we can

do about this. We have to look at the approach that somehow, all people who visit there have to make a contribution toward these services. The days are past, except for those adjudged to be in need, where one can walk in the door and go out the next one without paying one cent when they are off to the bank smiling, and a lot of them already have insurance in place. That must come to a stop, and it can only come to a stop if we work together and put in the necessary programmes.

In order to have as accurate a picture as possible of future expenditure and revenue figures, my Ministry and the Department will, in 1998, be using the services of a short-term consultant for all aspects related to the financial management of health care services in the Cayman Islands. Detailed terms of reference have already been drawn up, and I expect this consultancy to begin early in 1998. I will share the findings of this consultancy with the Honourable House and the people of these Islands. As we know, my good friend, the Fourth Elected Member from George Town, brought a motion earlier this year regarding looking at the coverage for civil servants and those Government has to take care of, of ways we can deal with this. My Permanent Secretary has attended a seminar overseas regarding putting in place a stop-gap type of insurance, where this country's liability will be limited in the case of a serious accident. These are some of the things we have planned for 1998.

Mr. Speaker, I read some of the bad standings of the Cayman Islands in the 48 countries of the western hemisphere, but we are doing some good things. I would like to share a couple of them. The Cayman Islands was first overall in life expectancy at birth, at an average of 77.5 years. Also, we were tied for second place in infant mortality, that is children dying under five years of age. We do have some things we can look up to, Mr. Speaker, and we will continue to build on them.

Before I forget, I would like to take this opportunity to thank all the dedicated staff members in my Ministry and the associated departments, under the able leadership of my Permanent Secretary, Senior Assistant Secretary, Assistant Secretary, Director of Health Services, Chief Medical Officer, and all the other people who are involved in the day-to-day operation of the Hospital. As I have said earlier, I will arrange again for a tour of the Hospital for those Members who did not make the last one. It is good for legislators to see what we are doing, where the money is going, and what is involved.

Mr. Speaker, before closing, I would like to briefly touch on some of the developments in the Social Services Department. I have only briefly been involved in this, and I ask that you bear with me until I can get my feet on the ground and find out what is going on. But I must give credit to the former Honourable Minister. As I have told him, and I have said before his face and behind his back, he has done more in that area, helping the elderly and the youth, than any other person I know who has been in Government. He has put in place many policies. In the area of sports, the infrastructure has been put in place to enable us for the first time ever to host the Shell Cup, Carifta. It was a proud moment for us all. The more

we can get our youth involved in sports, Mr. Speaker, it is a better way to keep them off the street. I know the Honourable Fourth Elected Member from George Town is making tremendous effort and sacrifice trying to get assistance for some of our children who go to school, to a university in the States, and I think wherever possible, we should give that support.

Back to the 1997 achievements of the Social Services Department: continued to provide high quality service to the public in the areas of child protection, family and marital counselling, custody and adoption services, financial aid, housing, probation and prison services, court-related matters, and community development initiatives. Training was the heavy emphasis this year, Mr. Speaker, including local training on the new Children's Law in June, as well as a four-day adolescents' training workshop held November 18 to 21. Both training sessions were critical to the ongoing work of the Department, and of special importance to the work with our country's young people.

In addition, three Caymanian staff members were sent on a three-week attachment to the United Kingdom with regard to the Children's Law. The Department appointed the first Caymanian caring home supervisor on the first of October of this year. She understudied the previous post holder for one year, prior to taking over from her in October. In May of 1997, the probation and aftercare unit of the Department was established, with one probation aftercare supervisor and two probation aftercare officers. In the few months of its operation, the officers have been doing a significant amount of work within the Prison, as well as the community, with probationers as well as persons on community service orders.

The final report and recommendations on the Family Study were presented to the Ministry of Community Affairs in March of 1997. It is hoped to have this report tabled in this Honourable House in the first sitting of 1998. A multidisciplinary team for the management of all child abuse matters was formed this year as well. Presentations have been made at all Government and private schools regarding how this team is to work, its aims and objectives, and emphasising the need for all persons working with children to be more aware of the issues of child abuse and how to handle such matters.

A Summer Play Scheme was operated in West Bay as a pilot project for the month of August by the Community Development unit of the Department. This was a most successful undertaking, and it is hoped that they will be able to do this in several districts in 1998. In general, the Department has had a very busy and successful year. The movement is to do more preventive work, with a focus on the Community Development arm of the Department.

The Speaker: Would this be a convenient time for interruption? I would entertain a motion for the suspension of Standing Order 10(2) in order that proceedings of this Honourable House may proceed beyond 4.30.

Hon. Anthony S. Eden: Mr. Speaker, I so move, and it is my understanding that we will go over to the Court-house and return in about fifteen or twenty minutes.

The Speaker: The question is that Standing Order 10(2) be suspended in order for the House to proceed beyond 4.30. Those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it. I will now suspend proceedings for thirty minutes. It is my intention that the House will resume at 5.00 and continue until 6.00 PM.

PROCEEDINGS SUSPENDED AT 4.21 PM

PROCEEDINGS RESUMED AT 5.09 PM

The Speaker: Please be seated. Proceedings are resumed. Debate continues on the Appropriation Bill, the Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation continuing.

Hon. Anthony S. Eden: Thank you, Mr. Speaker. When we took the refreshing break, I was just touching on some of the accomplishments of the Social Services Department in 1997. I will now go to the 1998 objectives. I would like to reiterate my thanks for the able leadership by the Minister of Community Development over the last two years, the First Elected Member for West Bay. I think he has made tremendous strides in the improvement of all areas of social development in the Cayman Islands. I know, especially with the elderly, he is looked up to with a tremendous amount of respect, and we look forward to continuing what has been put in place, and helping those who are genuinely in need. I think that has always been the philosophy of this Government and this country.

The Social Services Department is very conscious of the need to build on the community development aspect of services. As such, needs assessments are underway this year in North Side and Bodden Town, to survey the residents as to their specific needs. Through this, it is hoped to minimise or eliminate community social problems by working with community members to address the issues identified.

Another major objective for 1998 is the development of Regulations for the Children's Law, enabling social workers to properly execute their duties in the areas of care and protection of children and young parents. I was passed a note that was clipped out of the *USA Today*—I do not have the date on this—with regard to deadbeat parents. It says, "**Deadbeat parents in the State of Georgia have paid \$7 million in child support since the State threatened to take away their professional and driver's licences. 'The law enacted last year has been a very effective tool,' said Robert Riddle of the Department of Human Services.**" This is quite a significant development. I am not advocating at this time that it be implemented here, but it goes to show that parents

should not be abdicating their responsibility to the children, which I will touch on later.

Another major focus for 1998 will be ensuring the safe and humane treatment of youths who require placement in a secure setting with the appropriate programmes to meet their needs. I know the previous Minister has advocated this, and every one of us as Members of the Legislative Assembly who have seen the terrible circumstances in which the young people are incarcerated at the West Bay Lockup, feel we must do something about it and do it promptly. It is a disgrace to this country that our young people have to spend time in there. If this continues, how can we have any hope for them, when they are locked up in a place in such deplorable conditions?

Additionally, our goal is to care for and protect a maximum of ten boys who are exposed to physical and/or moral danger in their own homes, by providing an alternative caring home environment for them. Following on this is the setting up of a proper after-care programme for youths who are leaving the Department's care to transition them properly into independent living, employment and/or continuing education. As most people know, my feeling toward education of our youth is that if we provide the necessary education for our young people, it goes a long way to alleviating their problems, because they then have the tools with which they can make themselves better.

Mr. Speaker, before closing my debate, I would like to touch on a few things in the District and in the Islands as a whole. There was mention of the MLA office in Bodden Town, and I have to give all the credit to the Second Elected Member for Bodden Town, who has recently begged and pleaded to help it get to a position in which it can become functional. I feel that by having it there, all three of us as representatives should be able to utilise it. My understanding was that the change in the door was actually done by changing from wooden doors to some glass doors, and some other changes which were done by Public Works, for which we are thankful.

In the area of the playfield in Bodden Town, this is something that has been around for probably six years, but thank God it is coming to a stage where next year it should be ready for utilisation. We have done a good job in getting it ready, and we all welcome it. We have several hundred young players in the Bodden Town district who have been very successful, and I think each time their senior team plays now it seems to go from strength to strength. This is being done even without proper facilities. It goes to show the dedication of these young people and what can be accomplished when they have the proper facilities with which to play.

The two primary schools continue to be two outstanding schools in the District. Many of us pushed for the ball court at the Bodden Town Primary School. That school has been one of the leaders for the last four or five years, winning the championship, and it gives me a great feeling of accomplishment. We finally have a nice court for them to play on, and they do not have to get their knees torn up skidding on the asphalt. There is a new

bus in the making for Savannah School that has been requested for some time, and I am made to understand that we should take delivery of that shortly. It goes to show in these schools, specifically in Bodden Town and Savannah, the involvement of the PTAs [Parent-Teacher Associations]. They are a very dynamic and hard-working group of people who do not sit and wait for Government to do everything. If there is something they see they need—some of them are working on obtaining more computers, yard beautification—this is a great feeling when you see the community effort being put forward by these parents, and I encourage and look forward to them continuing to give that support to the schools.

I look forward to the retirement home in Bodden Town being sorted out next year. Money is in the Budget. Rotary had promised to help us last year, but for whatever reason, this has not come to fruition. In the District of Bodden Town there are not a lot of people who will need to go there for a long-term period, but it is a good place for them to go during the day and spend time with friends and families, be able to socialise. This alleviates a lot of problems they experience, when they can mix with people and be able to talk and have some company.

We are looking to developing the Town Hall into a library. We have had many requests, especially from the Bodden Town Primary School. Right now it is rarely used for anything, and we feel it would be a good investment. There is a big area out front where the children will be protected from vehicles, and we look forward to developing the Town Hall as a library. I feel sure that all three of the Bodden Town representatives welcome this, because the Primary School is not far away, and if the kids have to go there, there is the element of safety, being quite a distance from the road. I look forward to its development. As far as I know, only West Bay and Bodden Town do not have libraries, and with the help of God, that too will soon come.

I would like to talk about road congestion on the Bodden Town arterial road. I know significant work has been done on the West Bay road. I am hoping that the Harquail Bypass will provide some relief, but for those of us who have to travel from East End, North Side, and on down, the distance feels much longer than the traffic that builds up on the West Bay road. I am hoping that the construction of the Crewe Road bypass will go a long way to relieve that. If you make the mistake of leaving the eastern part of the Island after 7.15 AM, it is going to take you from half an hour to forty-five minutes to an hour to get into town. Transportation is something we have to come to grips with. We cannot continue with the amount of cars coming into this Island. It is almost to the stage that there is nowhere to put them. We must look at a viable and sensible way of public transportation, something that can be dependable. I am sure, if a dependable service is provided, many people who drive their cars now would utilise it. We cannot possibly continue, even if we build more roads. Where are we going with the cars? If you come to George Town, you cannot find anywhere to park. Coming from West Bay, it is becoming frustrating. We need to look at a proper transportation programme

and I think if all of us as legislators come together, we can solve this problem. It is not going to get any better. We raised duties on the cars, but the cars keep coming in. It is just terrible when it takes you one or two or three hours to go eight or ten miles in the early mornings and evenings. That is not good enough for Cayman. We need to come together as legislators, put aside petty politics, and come to a solution to this problem.

Mr. Speaker, I am very pleased with the amount of roadwork we have been able to get done in the District of Bodden Town over the last two years. There are well over thirty roads, and I feel, without fear of correction, that this is the most roadwork ever done in the Bodden Town District. There is still much to be done. People have waited patiently, but there is approximately half a million dollars in the Budget for continued roadwork in Bodden Town, and I ask the people to bear with us. We will get to these roads and address them. As most of the people know, Bodden Town probably has more subdivisions than any other district on the Island, and it is a pity that in the old days when the subdivisions were being put in, the proper road infrastructure was not also created. Even in recent times I know of developers who were forced to put in barber green roads, whereas others could put in a dirt track. This has to stop, Mr. Speaker. These developers take the money and eventually you are driving over a road, mashing up your car, sometimes knee-deep in water before you can get to your house. I am hoping that this can be addressed. As I said, in Bodden Town we have so many subdivisions, but with the help of God, I see light at the end of the tunnel. We will be able to get most of these brought up to a standard that the other districts now have.

The street light programme continues, and it is very welcome. I feel it has contributed significantly to the control of crime. As we go forward with this, Mr. Speaker, it is better for this Island. The requests keep coming in. If there are areas people have concerns about, we need the block and parcel number so we can pass it on to the Public Works Department, who in turn passes it on to CUC.

The health centres in Bodden Town and throughout all the districts of Grand Cayman, are probably up to the highest standard of any territory in the Caribbean. We look forward next year to putting in more doctor clinics and utilising the rooms for counselling. By working together and spreading the word, making the public know of the availability of these services, it can go a long way to make these Cayman Islands a better place for all to live. It is the community effort, Mr. Speaker, that can significantly improve this place.

I would like to give credit to the Community Development officers in our District. They are Miss Donna Connolly, ably supported by Mr. Tony Scott; and in recent times Miss Darlene Ebanks and others have been involved in the development going into Northward Road. They are working on a community park there, Mr. Speaker, and it is good to see that community effort once again. I know Government has given some assistance, for which we are grateful. Involvement of the community makes a district a much better place for people to live.

Mr. Speaker, back to the national scene. As I said earlier, I welcome the reinvention of Government and its approach. It is incumbent on us as legislators to attempt to improve, through change. Everyone wants results but nobody wants to take the action that would give us these much-

needed results. But I think there is a firm resolve from all of us—those who have attended the meetings for the reinvention of Government—and I must give great credit to the Deputy Chief Secretary and the officer of Budget and Management, the presentation and the amount of time they have sacrificed in bringing and sharing with us. I know from the last Legislature, not this one, when my colleague from Bodden Town and at that time the Second Elected Member from Cayman Brac told us about the reinvention system and the approach that was being used by New Zealand. It is ironic that we are now back to that stage, and I ask that everyone pitch in and support, where possible, the new approach being put forward. We can succeed if we work together on this.

With regard to the Development Plan, Mr. Speaker, I must praise the Honourable Minister for Education and Planning, and also the two Ministers previously responsible—the Minister for Tourism and his predecessor, the Third Elected Member for George Town—for the time and effort put into this. The population welcomes this undertaking. It is an accomplishment that we as legislators should be proud of. We have been able to succeed where no other Government in over two decades has, and I think it is well done.

Also, when Members said that the Budget was unrealistic and unattainable, I must say I do not agree with that. I feel that if we all work together, it can be done. It will take sacrifices and dedication, but we have demonstrated in recent times that we can work together. We are working together for the good of these Islands.

I know the Honourable Minister for Education has taken a lot of criticism, a lot of pounding, but I have worked with him. I have seen his dedication. I have seen this gentleman when we had to go overseas for some very intense negotiations, and I can assure you that if you were to see the level at which he operated in representing this country, we all would be proud of what he has been able to do for us. I think his contribution has been exhibited in his dedication toward the school system, and the tremendous emphasis we are now placing on the Lighthouse School. It was good yesterday to visit the Community College. It is quite an impressive setting, Mr. Speaker, and I just wish that somehow we as legislators could share with our young people what is available. I know when we were all growing up, if we had that opportunity, there was nothing like that existing on the Islands. But now we have all the modern amenities needed to get the education job done, and for Caymanians there is very little cost involved. I would encourage us all to tell our young people and our families about this. Not only the young people, Mr. Speaker, but those who are older, as was demonstrated there yesterday, can go to that College and benefit.

Also the International College of the Cayman Islands, Mr. Speaker, for twenty-something years was waiting to be recognised. I am looking forward to the day when the Public Service Commission—the Honourable Third Official Member and I are two of the many people who have been through that facility, and yet, up until this day, I think they are still waiting to be recognised in the proper light. The time has come to give ICCI the proper recognition.

As I spoke earlier about tourism, we have come a long way, and we continue to grow. Once again this year we will set a new record for arrivals. When we took over in 1992, tourism was on the decline. The present Minister instituted a certain style for spreading the tourism message throughout the Islands and throughout the world, and it is now paying

off. I think he has done a great job in the development of Pedro Castle, for which I bear special feelings, as it was part of my heritage; and the Queen Elizabeth Botanic Park. It is a tremendous job and now we as adults can take our young people and let them see what is so wonderful. Things we did not have when we were growing up, we can now relate to and be able to utilise.

Agriculture continues to do well, Mr. Speaker, and I know there were certain things about self-sufficiency in bananas and mangoes, but it is a step forward. Farmers have had a very difficult time. We will continue to have difficulty because of the type of rainfall we have here. There are certain times of the year we do not get any rain, and no matter how much irrigation we put in place, there is nothing like that “sky juice.” So we have to bear with the farmers and support them wherever possible. They make their contribution.

I welcome aboard the new Minister for Community Affairs, and I know she will be able to deal with the situation, get things going and continue programmes that have been put in place for a long time. One of these was evident yesterday evening, Mr. Speaker, when many of us attended the opening of the Resource Centre for Women. This is something we all have to come to grips with. It shows once again our maturity as politicians, and that of Caymanians as a whole, that we will no longer and tolerate spousal abuse. It has to come to a stop, Mr. Speaker. When it comes to the stage that you have to beat your spouse, I think it is time one should get away. Why brutalise a human being? It is not called for, it is not shown in my Bible, and I do not think we should tolerate it.

Mr. Speaker, the Honourable Financial Secretary has started something special here: devotions which we hold before we come back after the lunch break. It is very stimulating and uplifting to see the change in all of us when we come back out. Sometimes a handful of us continue to be a bit hypocritical, but that is human nature. But with the help of God and with the leadership of the Financial Secretary, I know we can overcome these things and work toward making these Islands the finest place on earth, which they are without a doubt in my mind. I have been all over the place, and there is nowhere like my beloved Cayman Islands.

I will always remember what my good friend from Bodden Town and my fellow colleague, the Third Elected Member says: We are our brother's keeper. We need to take responsibility for our brothers.

Mr. Speaker, when we look at what is happening in the great United States, it is terrifying to see the legislators take the prayers and the Ten Commandments out of the schools. We have to be vigilant here, that these very same things do not happen in our Cayman Islands. I implore our families and our churches to be more vigilant. Please get involved with your children. Know where they are. Know who they are keeping company with. It is our God-given responsibility to raise our children in the proper manner, and God will not forgive us if we do not. I know it is more difficult now, but let me tell you, Mr. Speaker, when I was growing up, when they talk about poverty and poor, I can remember my parents heating up cornmeal porridge on a kerosene lamp. So poverty is something many of us experience, but it is no excuse in this world for parents to abdicate their duty and allow their children to go bad, and not monitor what they are doing.

So with these few words, I would like to close and ask that we continue to work for the betterment of these Islands.

The Speaker: Does any other Member wish to speak? The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Thank you, Mr. Speaker. Perhaps it will be like Henry VIII told his girlfriend, "I shan't keep you long!" given that there are only fifteen minutes left before we are supposed to adjourn this House, at least by my watch. But I wish to congratulate the Third Official Member, the Honourable Financial Secretary, for the comprehensive Budget Address which he delivered three weeks ago. I think the contents were well put together, well-presented, and the Budget is one about which all of us can say, at least, there are many pages of information to digest.

But as I have listened to the debate for the last three weeks, Mr. Speaker, I found that the common thread running through it included certain items as contingency warrants, Monetary Authority, public debt, spending, borrowing, training in the hotel industry, new hotel application, banking, and really the contents of the 1998 Budget. Some of those items, Mr. Speaker, were spoken to by the last speaker in an attempt to outline the Government position.

Let me take the item of new hotel applications, Mr. Speaker, in the beginning of my contribution. I believe one of the Members across the floor talked about the new Ritz-Carlton Hotel. Do we need it? He went on to say that it will create much strain on infrastructure, roads and employment, etc. Mr. Speaker, the arrangement as I understand it is that the Holiday Inn, which is the oldest hotel chain in the Cayman Islands, dating back to 1972, will be involved with the new Ritz-Carlton, and that the Holiday Inn as we know it is scheduled to close its doors in April or May of 1998; and that the principles and management of that Holiday Inn, who have spent millions and millions of dollars, Mr. Speaker, to maintain the quality of their accommodations, have reached the decision. They have seen the wisdom of upgrading their ownership by participating in a Ritz-Carlton Hotel which I know, and I think just about every Member of this House knows, is top of the line in hotel accommodation.

Most countries, and certainly cities, would jump at the opportunity of a Ritz-Carlton. We should not turn our backs on a proposal by a hotel of this calibre, if we live by the words that the Ministry and Department of Tourism are selling to the outside world, that is, Cayman is a quality destination with quality services. The Holiday Inn, Mr. Speaker, provides 215 rooms to its guests, and the proposal for the Ritz-Carlton, as I understand it, provides 315 rooms, an increase of 100 rooms. The strategy of the Ministry and Department of Tourism is to attract the visitors at the top half of the economic strata in their respective countries. By that I mean those individuals whose household earns \$100,000 or more. In essence, the persons who have the disposable income which allows them to spend more money in the Cayman Islands than others who are lower down on the economic totem pole.

Hotels such as the Ritz-Carlton, Mr. Speaker, have their own reservation systems, and their guests generally will prefer to stay at a Ritz-Carlton. So I view it as a positive move in the development of our attractiveness as a premier warm-weather destination. The strain on the infrastructure should not be too significant, Mr. Speaker. Adding one hundred rooms to the tourism plant, and moving the quality of the accommodation to a four- or five-star from where it is, as

far as the Holiday Inn accommodation is concerned, I submit, must be in the right direction for the Cayman Islands.

But Mr. Speaker, we also need to be mindful that the construction of this hotel, with its various buildings, which will include villas as well, will be an important continuation of benefits that will flow to the construction industry, Government, real estate, and retail businesses. So when we look at that project, and use what I have heard many times in my economics classes, the multiplier effect, I think we will see the positive benefits which will spread across the economy of the Cayman Islands.

Mr. Speaker, Government has also requested that the staff of the Holiday Inn be treated beyond the letter of the law. I understand their severance pay and benefits have been morally right, some say generous, in relation to the law. I understand too that it has been explained to all of them.

One other point I should make, Mr. Speaker, is that the Ritz-Carlton is a chain, and is known in the marketplace as one of the best trainers of their staff. I have requested their assistance to work with the Ministry of Education and our Ministry, to call on their resources as another arm to allow us to bring to action the need to train our people to work in the tourism industry.

Mr. Roy Bodden: Good, good. That is what we like to hear!

Hon. Thomas C. Jefferson: Mr. Speaker, Holiday Inn, as I mentioned earlier, was established in 1972, and although the Government of that era tried diligently to attract another good quality hotel, it was not until 1986-87 that the Hyatt was constructed and brought into service. And may I remind Honourable Members and the public, we have a sleeping giant to the north of us, and when their doors are fully opened to visitors from the United States, in particular, we do not want to be scratching to compete with them. I hear Members in this Honourable House using the word 'vision.' May I say, my vision is that we must do everything possible to prepare the Cayman Islands for that day, because none of us, no matter how great the crystal ball, are going to be able to predict when it will come. My approach is, it is going to come sooner than we think, so let us prepare for it. So Mr. Speaker, if we can get a four- or five-star hotel for the price of adding a hundred rooms to the tourism plant, and to create a little strain on the environment, I say to the public, it is a good investment in the future of these Cayman Islands!

Let me talk a little bit more about training in the hospitality industry. Sometimes we focus only on hotels and condominiums, and we do not pay attention to the restaurants and the watersports activities. I recall answering a question in this Honourable House earlier in this sitting. I recall also Members calling for training for our people, for them to be able to take advantage of the career opportunities within the tourism industry, and Mr. Speaker, I hope that the impression I created is, lest they forget, I welcome their wishes, their support, to effect a greater accomplishment in this particular area. It is an area many governments have wrestled with. It is an area no one Ministry can accomplish. It is an area which is going to require everybody holding hands to do something about it. For the first thing we have to do, to some extent, is to change attitudes. And while some people think that is an easy thing to accomplish, Mr. Speaker, my

experience tells me it is one of the most difficult areas to accomplish.

But I believe sincerely—and let me use the word ‘marriage’—I believe that with a marriage between the private sector and the Government, and I will be even more specific, by every Member of this Legislative Assembly, and the resources we have within the public and private sectors, I believe it can be done! I believe it needs to be done! I believe we need to join hands and say, You have my support. What can I do to make that contribution? I am not talking about lip service, Mr. Speaker! I am talking about action when called to assist.

Go back to that word ‘vision.’ I heard that mentioned all over the place the last couple of weeks—vision. My vision is that we have to work in a marriage between the private and public sector if we are ever going to be successful. We need to address this training wish of ours in a practical methodology. The academics, yes a little bit, but Mr. Speaker, there is a small number of general manager positions. So we do not want to overtrain academically for that area. There are many managerial and/or supervisory positions, and there is a much larger number of positions below those. So we will need a variety of training courses that address the skills of each position. I am a firm believer that training needs to be a mixture of the classroom intervention, heavily laced—and I emphasise *heavily laced*—with hands-on training within the industry. By that I mean, within the hotels, the condos, the restaurants and other places.

Mr. Speaker, earlier in this meeting I answered a Parliamentary question on training within the tourism industry. I went on to say that although I am not responsible for the training, I did undertake to use my influence. If my memory serves me correctly, some Member or Members across the floor wanted me to use more than my influence, if necessary.

Mr. Roy Bodden: Are you going to get physical or what?

Hon. Thomas C. Jefferson: But Mr. Speaker—no physicality, not to get physical, no—but Mr. Speaker, I am also a firm believer that when you think you have some difficulty, one of the best ways to address it is to sit down and discuss it. Discussing that subject, and seeking co-operation in my view is the first step. So I undertook to have open discussions with representatives of the industry. And Mr. Speaker, I have carried out that undertaking, and the response, as I expected, is co-operative and favourable. I also remember, Mr. Speaker, that I am the Minister responsible for Tourism. I am not the Minister responsible for Education and Training. So I will say that in conjunction with the Minister of Education, I will keep this House informed of progress made on this subject, so that at some stage in the future, and hopefully near future, we will be in the position to say to those Members who volunteered to support, Here is where I need your help.

Mr. Roy Bodden: Fair enough!

Hon. Thomas C. Jefferson: Mr. Speaker, this is a national objective. This is not a political issue, and if you are ever going to settle this issue, we have to join hands and leave the petty politics aside, because we are talking about the

training of our young people into wholesome careers, into an industry that has great potential and reward.

Mr. Speaker, I was about to move on to some other subjects.

The Speaker: Would you care to adjourn at this time?

Hon. Thomas C. Jefferson: I believe so, Mr. Speaker, I am happy to. And if you call for it, Mr. Speaker, I would move the adjournment of this Honourable House.

The Speaker: I would entertain a motion for the adjournment.

ADJOURNMENT

Hon. Thomas C. Jefferson: Thank you. I move the adjournment of this Honourable House until 10.00 tomorrow morning.

The Speaker: The question is that this Honourable House do adjourn until 10 o'clock tomorrow morning. Those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it. The House stands adjourned until 10.00 AM tomorrow, 27 November.

AT 6.00 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM THURSDAY, 27 NOVEMBER 1997.

**EDITED
THURSDAY
27TH NOVEMBER, 1997
10.15 AM**

The Speaker: Prayers by the Fourth Elected Member for George Town.

PRAYERS

Dr. Frank McField: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed.

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

APOLOGY

The Speaker: We have apologies from the Third and Fourth Elected Members of West Bay.

Questions to Honourable Members/Ministers. Question No. 192, standing in the name of the Third Elected Member for Bodden Town.

**QUESTIONS TO HONOURABLE
MEMBERS/MINISTERS**

QUESTION NO. 192

No. 192: Mr. Roy Bodden asked the Honourable Third Official Member responsible for Finance and Economic Development what is the expected inflationary cost associated with the cost of living when both the National Pensions and the National Health Insurance come on line in January 1998.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: There are two elements to consider and combine, namely, the impact on expenditure of employees and the impact on operating costs for firms doing business in the Cayman Islands. The increase in expenditure for a working person associated with pension contribution is estimated at 2.1%. The increase in expenditure per working person associated with the impact of health insurance is an estimated average of 2.6%.

On the employer's side of the equation, the estimated increases in the Wage Bill associated with the National Pension Scheme and with the Health Insurance Scheme translate into an estimated increase in overall operating costs for firms of 1.1% on an average of .55% respectively. Therefore, taking estimated increases in expenditure per working person and an overall operating cost per firm together, and making the necessary adjustments to take account of the health and pension contribution already being made, the combined estimated inflationary effect of the National Pension Scheme is 1.6%, and of the Health Insurance an average of 1.6%. The total estimated inflationary impact of both schemes together is therefore 3.2%.

SUPPLEMENTARIES

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Seeing as there is no price control in the Cayman Islands, and bearing in mind the answer the Honourable Third Official gave. . . in truth and in fact, is it not very possible for the projected figure to be a lot more by the time the merchants and everybody else add what they wish to add to the additional cost?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Based on the advice I have received, there is a possibility that it could happen, as well as it could remain within the 3.2% range.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Does the Government any type of mechanism to monitor such a situation so that if it becomes a reality some measures can be taken to control it?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: The Economic and Statistics Department will be able to provide a monitoring mechanism. Depending upon the results of that, subsequent decisions can be taken as to what intervention should be made by the Government where increases seem to not be in line with known inflationary impact.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Can the Honourable Member state if in his answer he was directly relating the percentages to the consumer, or if the situation has worked out where the percentage of the cost of living to the actual consumer could in reality be a lot more than the figures presented in the answer?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: One will have to assume a good faith element. If the overall effect of these two schemes is passed on based on the figures as projected by the Economics and Statistics Department, it suggests that the inflationary impact could be 3.2%. The overall effect of this could be a burden on the consumer—this is where retailers and wholesalers may choose to pass this on. But these are issues which will have to be addressed when the schemes become operational.

The Speaker: The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Bearing in mind the answers to these supplementaries, I think the Member could give us an undertaking that the situation will be monitored very carefully once the two schemes come into effect.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: We can pay specific attention to that area because surveys are carried out on a regular basis. The results of these are normally passed on to the Government's attention before they are published. Whenever it comes to light that these increases are being passed on and are going beyond what the known inflationary impact should be, an intervention can be made at that time.

At this point in time, one will have to assume that inflationary impact will be contained within the known projection developed by the Economic and Statistics Department.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: It is almost impossible to make predictions, as the Honourable Third Official Member has attempted to in his answer, since he has to take into account the behaviour of those involved in the market, in other words the behaviour of the wholesalers and retailers, as well as the behaviour of the consumer. It is quite possible they could behave in a very irrational manner. Their prices might have nothing to do with these added costs, but they might use this as an instance to put prices up, as we saw with the high prices that came as a result of the new duties on cigarettes and alcohol.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: There is a possibility that a number of things could happen. As I mentioned earlier, one would have to assume a good faith element on the part of the retailers and wholesalers that the inflationary impact will be contained within the projected figures as provided by the department. We would trust that this would not be used as a mechanism to make further adjustments over and above what is warranted.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member say if the Government has a contingency available to it at this time in the event the inflation anticipated has a negative effect on the economy?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I should say that we will have to look at what contingency measures should be introduced in the early stages of the implementation of these plans. A decision could then be taken as to the appropriate mechanism introduced in the event that what is being passed on seems to be going beyond what the inflationary impact should be.

A factor one could consider to be quite favourable is the fact that the Pensions contribution will represent savings. It is a savings scheme for the employee. This in itself will provide a mechanism that would suggest that a good faith approach should be taken in this regard. One should hope that the awareness brought to these issues through questions raised in the Legislative Assembly and what the public is expecting, if costs passed on seem to be going out of bounds in terms of what is projected, this in

itself should trigger certain measures being considered for implementation.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Given that this will represent monies being taken out of circulation in the country, what plan does Government have for addressing any shortfall or inconvenience that may be experienced by both the employers and employees in this event?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I am not in a position to respond to that aspect of the question. We will have to look at the schemes and the appropriate Ministries to see if the answers can be provided. I can undertake to write to the respective Ministries to see if that information can be gleaned.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Can the Honourable Member concur with my assumption (which is based on the supplementary asked by the Third Elected Member for Bodden Town) that if money is taken out of circulation by the implementation of these schemes businesses will feel a crunch, and therefore tend to react by increasing prices, which if not monitored and handled can get out of proportion?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: What the Fourth Elected Member for George Town has suggested is quite plausible. Because of the fact that it requires an opinion to be rendered, I would rather have the Economic and Statistics Department look at it and do an overall assessment whereby a balanced position can be presented to Members.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: I would appreciate if the Honourable Third Official Member would undertake to present us with this type of information because an opinion is really not what I am asking for. I am asking for his expert opinion and the opinion in that sense is not an opinion but, in fact, a fact because it is based upon expert consideration. I would have assumed that he would have made these types of considerations before, therefore it should not be an opinion I am soliciting here.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Mr. Speaker, the reason I am responding that way, and the Member can appreciate that what he is saying is that money is being taken out of circulation so he is looking at the multiplier aspect. The same thing can happen where the community as a whole decides to increase its level of savings. This can take money out of circulation unless such monies are loaned out and put back into the community by way of mortgages and consumer loans. So all of these are factors which will have to be considered.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: I would just like the Member to say whether or not he is saying that there could be a substantial alteration in the present economic climate when that legislation is brought into effect.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Mr. Speaker, I am not making such a statement. When we look in terms of economic theories today and the various issues that have to be considered whenever any aspect of the economic variables are varied, it is not difficult to do a scientific assessment based on the behaviour of consumers, because there are a quite a number of situations that can occur in the community whereby individuals may choose to increase their level of savings, or otherwise. This is one that warrants a proper assessment and study, and it can be done. I would rather draw my conclusion after such a study is carried out rather than to sit here at this time and concur with the position that has been put forward.

The Speaker: If there are no further supplementaries the next question is No. 193, standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 193

No. 193: Mr. Roy Bodden asked the Honourable Third Official Member responsible for Finance and Economic Development to provide details of the travel expenses of Ministers of Executive Council since January 1997, broken down by Minister, destination and purpose.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

QUESTION NO. 193 DEFERRED Standing Order 23(5)

Hon. George A. McCarthy: It was brought to my attention about five minutes ago that the answer prepared for circulation contains a discrepancy. In accordance with the provisions of Standing Order 23(5) I would like to ask that the question be deferred until tomorrow morning.

The Speaker: The question is that Question No. 193 be deferred. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it

AGREED: QUESTION NO. 193 DEFERRED.

The Speaker: Question No. 194 is standing in the name of the Third Elected Member for Bodden Town.

QUESTION NO. 194

No. 194: Mr. Roy Bodden asked the Honourable Third Official Member responsible for Finance and Economic Development upon whose authority Government's assistance to the indigent and veteran's pensions was deposited at First Cayman Bank.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: The authorisation procedure for all payroll payments is that the respective Ministry or Department completes an appropriate or starter sheet which includes the employee's full name, job title, monthly salary, monthly deductions to be made, bank account to send the salary to. The starter sheet is signed by an authorised signature from the initiating Department or Ministry. Once the original documentation is received by the payroll section of the Treasury it is processed.

In this instance the payments to indigents and veterans deposited in First Cayman Bank were made upon the documented instructions to Treasury from the Ministry of Community Development, Sports, Women's Affairs, Youth and Culture.

SUPPLEMENTARIES

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Minister say if it is also necessary for such a request to be approved by the Executive Council, or does one Ministry, any Ministry, have the authority and power to direct these kinds of actions without having the approval of the Cabinet?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: May I ask the Member to restate the question? My attention was diverted to deal with another issue.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Can the Honourable Member say whether such decisions necessitate the approval of the full Executive Council, or can these kinds of decisions be taken by any one Ministry?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Such a decision would not normally be brought before Executive Council. It would not be different from a person entitled to receive a payment from Government on a regular basis. Once arrangements have been put in place normally the individual advises. . . let us say, for example, a person comes into the Portfolio of Finance and Development to work. This individual would be asked if he has a bank account established at a bank, and whether he wanted his salary to be remitted to that account. This information is normally taken up by the payroll officer within the section. It is included on the starter sheet mentioned earlier and then forwarded to the Treasury Department to be acted upon. I am not aware of this matter being approved by Executive Council, or brought to Executive Council for approval.

The Speaker: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: I noticed that the Honourable Member said that it is not normal. In cases where new arrangements are made, what is the normal procedure for handling these kinds of payroll, or financial assistance matters?

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Whenever new arrangements are made, in effect these new arrangements are entitlements to an individual, or individuals. An individual would have to advise the department from which he would be receiving payment as to what bank his funds should be remitted to. The assumption would be made that the persons entitled to receive these payments would have advised the Ministry that their money should be remitted to a particular bank.

The Speaker: If there are no further supplementaries that concludes Question Time for this morning.

Item No. 3, Government Business, Bills, continuation of the second reading debate on the Appropriation (1998) Bill, 1997. The Honourable Minister for Tourism, Commerce and Transport, continuing.

GOVERNMENT BUSINESS

BILLS

SECOND READING

THE APPROPRIATION (1998) BILL, 1997

DEBATE ON THE BUDGET ADDRESS DELIVERED BY THE HONOURABLE THIRD OFFICIAL MEMBER RESPONSIBLE FOR FINANCE AND ECONOMIC DEVELOPMENT ON WEDNESDAY, 5TH NOVEMBER, 1997

(Continuation of debate thereon)

Hon. Thomas C. Jefferson: When we adjourned last night I was completing my thoughts on training in the hospitality industry, and I was about to move on to another subject. Perhaps what I am going to say is more background information than anything else, but I have been directly involved with every annual Budget since 1977—in the early days as Deputy Financial Secretary and for the last ten years (1982 to 1992) as the Financial Secretary of this country. So I have been responsible for and have prepared, or developed, many Budgets. I have seen the lean years and the good years. I have witnessed the concerns of Members of this Honourable House over the size of the Civil Service, their call for more details to be provided in the Estimates where, today, the 1997 Budget is, I believe, 500 pages.

I have also witnessed years when there were lumpy capital requirements, meaning, the capital needs were so large that they could only be done through borrowing. I think an early example of this was in 1971-1972 when Government borrowed \$4 million against the 1972 Budget of \$6.6 million (which is about 60% of the Budget), and that borrowing was to address the infrastructural needs of this country. To be more specific, to put in place a new Court Building, a new Legislative Assembly Building, of which we are all proud, and a new Police Building.

Other years capital projects were so large it was impossible to fund them from local revenue. These included the installation of the public sewerage system along Seven Mile Beach, and the public water system in George Town which now extends almost to Breakers. In 1996 and 1997 and even in 1998 we are back into this infrastructural need to remove bottlenecks within the system, the need to improve facilities for the benefit of our population and visitors to our shores.

The need to put in place a modern hospital in our country will take a substantial amount of money, if we are going to do it right and provide the necessary staffing and equipment for the diagnostic work, as well as the service delivery by doctors and nurses.

When we look at what has taken place over the past two years, in particular dealing with the hospital for which I believe the Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation deserves a real

vote of thanks for the way in which he has managed it. . . he has dealt with it by being up-front with the public, he has told us all the estimated cost. When we visit (as we did recently) the facilities being provided for our people, I can only think of the words 'well done.' When facing a construction bill of \$27 million, and then staffing needs, because you do not just put structures up and not staff them properly; and in addition you have to buy additional equipment and sometimes new equipment to provide better service to the country. . . no Budget is going to fund that from local revenue.

I have also seen Budgets where the revenue (and this is in recent times—not during our time in office, of course) was unable to meet the recurrent and statutory expenditure. In that year all capital expenditure was funded by borrowing. I even heard a Member reading the relevant part of my Budget Address dealing with that same era. That time was a time—even in hindsight—where the country, in my view, was going off the rails of prudent management of the financial resources.

Then again, I have seen Budgets with capital expenditure where we had a \$10 allocation against an item. Why? Because we wanted to do the project. So we said to Members of this Honourable House, *'Here is this project. We can only allocate \$10. But if the revenue improves during the year, we will come back and ask for supplementary approval for that project.'*

One of the areas in a Budget that we all need to pay very close attention to is the spiralling recurrent expenditure. I believe that in the 1998 Budget. . . actually, what I am about to say even goes back to 1996. . . . When we look at the Personal Emoluments section of the Budget we find that for 1996 the actual figure was \$86 million. By 1997 it had risen to \$100.4 million and is expected to rise to \$108.5 million in 1998. I will say that I am concerned when the Personal Emolument section of the recurrent expenditure increases in excess of \$22 million in two years. We can look at all kinds of ratios, but I think that when we look at the dollar figure it may cause us to raise more than an eyebrow.

To my recollection, there were no salary increases in 1997, neither is any proposed for 1998. I appreciate that the majority of the Civil Service is on an incremental salary scale. Those increments generally increase the annual amount in the Budget in the area of \$2.5 million to \$3 million. I want to make it clear that I am talking about the money. Having been a civil servant myself from 1971 to 1992, I pay a lot of attention to this area. Let me say that I believe in a well-paid, lean Civil Service. I believe there should be an even distribution of the work load. Someone will ask if that is ever possible, given what the Ministers' work loads are sometimes. I believe that all civil servants should be held accountable for how the public's money is spent and should individually make a serious effort to give good service to the public for their salaries and wages.

I raise this concern because it is the Minister for Education who has been saying for some time that the excess of revenue over recurrent and statutory expenditure for a particular period is \$60 million. When you have that excess

you are then able to fund capital expenditure. If you do not have that excess, you have to borrow or forget about capital expenditure. There is no half-way house here, Mr. Speaker.

There is an underlying reason why I raise this: If we do not pay attention to this particular area and allow it to drift on—and God knows that we get more and more requests for the Government to provide more services—if we answer every one of those requests adding to the number of civil servants, one day this revenue we talk about will not be sufficient to meet all of the recurrent expenditure as it was back in 1991. I raise this because I support the words of reinvention. I do not believe that reinvention only deals with the money part; I believe it must deal with the manpower part as well because the two together will actually provide a winning situation.

I know that there are a lot of requests in the Budget. I know that as you look through the capital with all of its various pages (which I referred to earlier, 500 pages of the Budget), the average person could get lost in it. Even the more seasoned person needs to spend a lot of time trying to understand what is there. Therefore, I am in support of what I hear the Honourable Third Official Member responsible for Finance and Economic Development saying: that, by God, if it is 500 pages, we must find a better way to present that factual information in a more concise manner so that we can all digest it more easily.

At the end of the day the Budget. . . and I am always mindful of one thing: The past does not equal the future. Because we did the Budget a particular way, and it worked then. . . it has come to the point where it is not working as it did five or ten years ago. We need to address that issue. It is important for the Government and the people of this country to receive value for money by having a different system; a system which says, *'We are going to count the outputs of this Budget. We are going to give the department a certain amount of money to do a particular task. We are going to find a way of measuring whether the department did it well, or did not do it well.'* I think that leads to obtaining the maximum value for the money spent.

We talked about the New Zealand system. I think if we search around we will find other systems. What is important is that we take all the input we can and then evolve a system that will be the system for the Cayman Islands Government and its people that will cause us all to be certain about the outcome of the 1997/1998 Budget and those of the future.

The changes that appear in the 1998 Budget versus the 1997 might have come as a bit of a surprise. But it is in the right direction. I think Honourable Members probably reacted to it because it came as a bit of a shock. We needed to have a day or two to digest it and then come and make our comments. The absence of certain data, be they departmental plans or whatever. . . I do not know if it always needs to be set out in the Budget. I believe that Members of this Honourable House must know what they are and must be in agreement with the approach so that they are accountable and can answer the public's questions. I believe that the Honourable Third Official Member

responsible for Finance and Economic Development will assure that this happens.

I do not want to dwell on the Budget. I believe we will have time to look at that in detail in Finance Committee, if that is the wish of all Honourable Members. I am going to leave that subject and move on to another.

When I began last night I spoke about the common thread that seemed to run through most of the contributions to the Budget Address. Another one was contingency warrants. When in November we have an Election, it is physically impossible to start the following year with a Budget because there are no Members of this Honourable House to approve it. We all disappear at the end of September to go out and campaign for our district office.

There must be a methodology by which the Government continues to provide services to the public in a smooth and efficient manner. On this occasion it was contingency warrants. Actually, even though you have a Budget presented to the House, and that Budget could be passed in Finance Committee in this Honourable House, but the legality of it is the Appropriation Law. The day that Law is actually gazetted is when you can legally spend the money in that Budget (in this case, the 1997 Budget). I noted that the Appropriation Law of 1997 was not gazetted until July of this year. So seven months passed without any legal authority to spend any money in this country unless the Honourable Third Official Member responsible for Finance and Economic Development were to find a vehicle to provide those funds for the people of this country to have their service delivered.

I heard questions and answers from the Honourable Third Official Member that between the period of 1st January and 24th October, 1997 the contingency warrants issued were over \$70 million. Quite frankly, I am not alarmed. When we realise that we have to provide funds in excess of a \$250 million Budget—funds for departments and capital works—for seven months before we could even spend money legally for the 1997 Budget. . . . No wonder we had contingency warrants. What other methodology would we use?

Mr. Roy Bodden: Don't forget the concealed time bomb!

Hon. Thomas C. Jefferson: Anything can be a time bomb—it depends upon who is holding the trigger. You could walk around all day with a grenade and not have it blow up. When you pull the pin it is time to scatter quick. We are not there. Hopefully, and I pray to Almighty God, we will never get there.

I understand, having been in this House for a while, the role of the Opposition. I appreciate the role of the Opposition.

We all went on to wrap this contingency warrant into. . . you know, Finance Committee is another cry this year. Let me try to put it into perspective: Can you have a Finance Committee on the 1997 Budget if it is not legally approved until July? Can you really have a Finance Committee between January and July?

Mr. D. Kurt Tibbetts: You put it in the papers that you were having it in July.

Hon. Thomas C. Jefferson: Mr. Speaker, I put it to you that although the supplementary requests were compiled in July, I do not think effectively we could have done it in July.

When we look at what actually happened in 1997—and we are not throwing any alibis, we are looking at the year as it was—nothing really became legal until July 1997 when the Appropriation Law was gazetted. Supplementary expenditure could have come in August, but we all know the kind of work load and official commitments and the need for all of us to get a little holiday. So I think the majority of us found at least a week in August to take that holiday.

When we call a meeting of Finance Committee the Government always wants all of its Members present. This is a sensible thing to do. Not being able to hold it in August, September came and with it the Meeting of the Legislative Assembly, which we all got involved with. In September and October we were dealing with the First Cayman Bank difficulties and the preparation of the Budget which is presently before us. This is not a normal thing, Mr. Speaker.

I am certain that in 1998, God willing, we will not be in the House arguing about properly calling Finance Committee meetings. I am sure that will happen. We are just in a year when all of the things which have transpired did not come together to allow us to have a Finance Committee as easily as some of us might have thought earlier.

Mr. D. Kurt Tibbetts: You do not understand the role of the Opposition.

Hon. Thomas C. Jefferson: I do understand the role of the Opposition.

While I am on this subject, I want to deal with a comment made by a Member from across the floor. That comment was that when the National Team came to power in 1992 they found a public debt of \$16 million. The Member went on to say, '\$15.9 million.' All of the information provided by the Treasury says that this figure is not correct. The information I have from the Treasury indicates that figure to be in excess of \$40 million. Sometimes when we are trying to justify our case we are willing to use the Auditor General's Report. So let us use it on this occasion.

The 1992 Auditor General's Report says on page 5: "**Total public debt excluding short term overdrafts increased from \$38.753 million to \$42.903 million.**" If we are going to talk about 1992 in the future, perhaps it would be good to divorce ourselves from this figure of \$16 million that has been going around for quite some time and talk about an accurate figure. You do not have to use mine, use the Auditor General's. I think he is the authority on this.

While I am on that, may I go on to say that when we came to power we also found that Cayman Airways was in such financial difficulty, and the Government itself was in such financial difficulty that they could not borrow US\$20 million from any bank in the Cayman Islands. After we were in power, it took until the first quarter (towards the end of it, I believe). I believe the bankers, having seen the Budget we

were willing to present (1993 Budget), agreed to lend the Government US\$20 million to pay off some of the debts of Cayman Airways—\$16.7 million to be exact.

As one Member said, the public debt is edging up. I do not think any one of us should try to say that it is not. But I believe that we need to look at what we are trying to accomplish—what has been accomplished—with a combination of using local revenue and borrowing together to make an impact of creating the kind of hospital I can visualise (because I have seen it recently) we are going to have. Or, look at it from a different point of view: Since 1993 we have spent in excess of \$20 million in construction of roads in this country. We never saw as much hot mix put on George Town roads as we did in 1996. I think it was more than the last ten years put together.

Mr. D. Kurt Tibbetts: You did it for the Election then.

Hon. Thomas C. Jefferson: It needed to be done, Mr. Speaker. A survey was carried out. We even widened the roads in Bodden Town and did our fix-up there too.

Mr. D. Kurt Tibbetts: *(Inaudible interjection)*

Hon. Thomas C. Jefferson: Mr. Speaker, I understand the role of the Opposition to steer me off of my course.

I want to say that \$82 million at the end of 1997 is a substantial figure. I think it is a figure that all Honourable Members—not just the Ministers—who are responsible to the people need to take a careful look at where we are going with this public debt. I cannot walk away from my experience of dealing with public debt and try to go down a different avenue because I think that at the end of the day, the people are going to hold us all responsible. We have to be just that.

When there is a justifiable need, I think we can do it. If we are going to construct schools, we do not have the money and there is an urgent demand for the school to be put in place within the next 12 months, we should do it. If there is a need to create. . . and here we are again, right back at the same situation infrastructural difficulties. No one in this House will tell you that there is not an infrastructural problem with the roads. Although we have spent \$20-odd million from 1993 to 1996 (I have not counted 1997 yet) there is a tremendous number of roads to be dealt with in a proper way so that our cars stay smooth on the road and not suffer from potholes.

I must personally say that I am getting tired when every time we fix a road somebody comes and digs it up.

Some Members: True. Hear, hear!

Hon. Thomas C. Jefferson: I think it is about time they paid for it. Whatever exemption was made as far as payment is concerned, let us change that as well. I think that when you damage something and then have to pay for it, you will be more responsible next time. I believe we should do it. It does not matter who it is. It could be a Thomas Jefferson company—and I confess that I have no construc-

tion business whatsoever or road laying business, although they spread all kinds of rumour on me.

Mr. Speaker, if you would like to take the break, I am happy to do so.

The Speaker: Proceedings will be suspended for 15 minutes.

AT 11.18 AM PROCEEDINGS WERE SUSPENDED

PROCEEDINGS RESUMED AT 11:55 AM

The Speaker: Please be seated. The Honourable Minister for Tourism, Commerce and Transport, continuing.

Hon. Thomas C. Jefferson: I am sure it is appropriate to say that we all need to thank Almighty God for how blessed we are in the Cayman Islands, and that the people too understand the good quality of life this Government has sought to provide, and is providing for them. Although there will be differing views on subjects, I want the listening public to know that that is basically all it is. I have my view, and other Members have theirs. So there will be differences at times. I pray to Almighty God that we leave it to subjects rather than personal attack.

Some Members, when talking about the National Team and the amount of money that has been spent since this Government took over. . . and I hope I am not misinterpreting what they said when they asked 'What did we get for it?' I mentioned (and I have tried to update the figure) that during the period 1993 (and as far as what we can tell in 1997) this Government spent in excess of \$26 million on roads. I think that everybody will say 'thank you' for that. There is a lot more to be done.

If my calculator is right, we have spent on medical, the construction of district health clinics, the construction of new facilities at the hospital, the equipment that goes along with it, \$17 million to \$18 million. We have built a new Post Office facility at the Airport. It was badly needed to ensure that the mail facilities and service in this Island is handled in a competitive way. Let us not forget that the service we provide all around is what makes us attractive.

We even spent in excess of \$7.5 million buying land. I know I am talking global figures, but let us be more specific. On schools, in capital new construction, at the George Hicks High School, for example from 1994 to 1997, we will have spent \$3.3 million to upgrade the Technical Studies block, to expand the Arts and Administration Building, among others. So I am trying to answer the query, 'What did we get for it?'

We have spent in excess of \$8 million, maybe more as there is no total figure on this page. We have spent almost \$900,000 at the John A. Cumber Primary School in West Bay; \$825,000 at the George Town Primary School; \$831,000 at the Savannah Primary, providing classrooms for our children; \$1.3 million at the Red Bay Primary School providing classrooms from 1993 to 1997. We even did hard courts and halls. That is the new construction.

Other capital expenditure in the area of schools includes over \$900,000 at the John Gray High School between the years 1993 to 1997; \$4.4 million spent at George Hicks High School; \$1.2 million at George Town Primary School; \$1.9 million at the John A. Cumber Primary School; another \$1.9 million at the Savannah Primary School and another \$1.4 million (and I am just selecting the large figures) at the Red Bay Primary School; in excess of \$100,000 for the North Side Primary School.

I hope, without getting into too much detail, I have answered some of the question about what we got for it. I think that what we also got is further stimulation of an economy that we are all saying must now slow down. They tried that seven years ago. They did not slow it down, it actually almost came to a halt—so much so that people in the construction industry could not find any work, whether they were labourers or owners of a construction company. So let us all be careful with those words about slowing down. Let us try to control the growth, yes; but we must be careful as to how we administer the brakes because the brakes in this vehicle sometimes cause the vehicle to come to a dead stop.

There is no Alan Greenspan in this country, Mr. Speaker. I heard a Member across the floor talking about Alan Greenspan and the way in which he utilises the facilities of the Federal Reserve System, likening it to the Monetary Authority of this country. What a comparison! That is like comparing General Motors to the garage up the road that repairs cars. No comparison whatsoever!

You cannot effect the currency in circulation in this country and control economic growth. External factors are the prevalent economic vehicles that stimulate this economy. Let us not forget that for one minute. When we look at it through practical eyes prices are quoted in United States Dollar and Cayman Island Dollar in this country which tells you that control of the Cayman Islands Dollar is going to be totally ineffective if that is what you are going to try to do. But there are methods of dealing with it, and in utilising those methods we have to proceed with openness, caution and fair play.

When we think of the Budget (and I am not trying to second guess debate on the Loan Bill) the number of items in the Budget. . . almost \$4.5 million for roads. Which one of us is going to tell the public that we do not need that? There is \$4.9 million for health care facilities. I believe that should even be increased. Even the medical equipment that is going to be required in 1998 is about \$2 million. We plan to spend quite a bit of money on those same details I was reading a while ago— \$1.5 million on schools to provide a new primary school in West Bay. One million dollars for the construction of the Lighthouse School. God knows that is not going to be enough, but we have to begin somewhere.

There is really nothing wrong with putting a sum in the Budget, provided you know and agree that it is the amount you are going to need for that particular year. Not every project can be scheduled to begin in January, or even February. It is physically impossible because the Public Works Department (God bless it) cannot really deal with that volume. How are they going to schedule \$28 million, get it all

in place and start it on January 2? Impossible. So if we utilise the allocation in the Budget to begin a particular project and carry it on and hopefully fund that project from revenue in 1999, that is not unusual.

I started off by saying that I am not trying to pre-empt the debate on the Loan Bill, so I am going to move on before you remind me, Mr. Speaker. It is getting close to Christmas so we are going to be rather generous today without throwing too many darts across the floor.

There was also a query about gratuities, and I am not the Minister responsible for that, but the subject of gratuities is one that has been going around and around for at least the last ten years and no Government seems to have been able to deal with it in an effective way, and a way that pleased the people who seem to be collecting gratuities. I believe that this subject must be addressed. I am quite prepared to offer my support in addressing it, and am quite prepared to ask the learned Members across the floor, especially those Members from George Town, to help us to solve it. Maybe the reference was not correct—the Honourable Members from George Town, not the learned. Learned has the connotation of legal training.

Whether or not they have been asked before, the call is now for them to support a methodology that brings some semblance of order and fair play to that system. I am sure that they are willing to deal with it. They offered their support yesterday when we were talking about training in the hospitality industry. I believe what they have said in that context. I think they know me well enough to know that I will call and say, *'It is time for you to offer your support'* when the time comes.

I want to also say that the Ministry and Department [of Tourism] has representation for this country spread basically to the four corners of the globe. We have representation in Germany, France, the Benelux, Spain, Italy, the United Kingdom, Canada, and Japan. We also have regional offices in New York, Chicago, Los Angeles, Houston, and Miami. We also have district sales managers, persons who operate from their own residences, in Boston, Baltimore, Atlanta, Tampa and Dallas.

I want to say to the people of the Cayman Islands that I have been honoured to work with these representatives. I believe that when you look at the number of countries being represented around the world, and you look at the staffing of those organisations, you could never find people more loyal to a country than they are to the Cayman Islands. We have regional sales managers who have been working for us since the late 1970s. What they tell me when I ask them if they have not received a better offer from some other country or airline (and you might think that is a strange question for me to raise—it is better for me to raise it than to get shocked by it happening!) they generally say, *'I am quite satisfied. In my own mind I have a good product that I can sell. The Cayman Islands have the image in the market place that is quite understood. It is the warm-weather destination in this part of the world. The quality of the service and facilities provided within the Cayman Islands is first class.'*

When we begin our advertising programme in any particular year, we need to ensure that we are not just talking about the television or the glossy travel magazines, the newspaper or the radio. We need to also think carefully about where all these people are visiting to do promotions. These must all work hand-in-hand if we are to get the maximum benefit of the funds which Honourable Members have approved to the people of this country.

I believe that most people, if not all, in this country would agree that the tourism industry promotions being done throughout the world are causing this country to reap substantial benefits from that pillar of the economy. It would be fitting for me to say too that we need to ensure that adequate tools are provided for them to do the kind of job we wish them to do. So when you are seeing this tourism budget move from one year to the next, let us be mindful that if we are asking the department to stay within a 5% increase over last year it creates a real problem. It creates a problem because we are not spending money within the Cayman Islands only, we are caught by the increases in services in many different countries. When we talk about advertising and paper costs, in the United States in particular, it is increasing between 10% and 20%, depending upon which one you are talking about.

So, when you use the figure of 5% or 7%, if you follow that rule you are going to end up (and I am in agreement with rules, but they must be practical) where the money you have is less than it was two or three years ago. Let me explain: Every year the cost is going up. If you hold the dollars the same, those dollars are going to buy less for you, and that is my concern. The Tourism Ministry and Department focuses on making money, it does not really focus on spending money.

If I spend \$20 million and the country benefits \$375 million, I say *'keep going, it is a good deal.'* But I sound the warning that if you short change the Ministry and Department you are in for sticky times because you are going to have to cut back. I cannot set the wrong examples having told you that I was Financial Secretary for ten years. I have to live by the rules in play.

Let me go on to another subject: The Ministry and Department of Tourism are also moving forward to establish a Web-site in an effort to provide more access by the consumer to the services offered in Miami. We know that we have a Cayman Islands Reservation Service in Miami that has been there for probably 20 years or more, but they deal primarily with the travel agent or wholesaler. We are looking to develop a Web-site that allows the consumer to ask questions of the Cayman Islands Reservation Service and for them to deal directly with those consumer wishes to make bookings and accommodations, or airline tickets, or dive packages, whatever it may be. Simultaneously those within the marketplace will be a part of that Web-site, so that when the consumer logs on to the Internet and clicks on the Cayman Islands Web-site, relevant questions about accommodation, water sports, restaurants, which airlines are servicing the country, will be on that site as well. We can utilise that site to also maximise the dollars given to us by this Honourable House.

We are fast moving on to the integrated marketing communications system where we pull together in a team work effort the advertising, the marketing, the promotions, so that the units are conversant with what the other party is doing to negate the possibility of duplication or ineffective use of our dollars. We have recently employed a new sales and marketing manager for the United States and a new deputy sales and marketing manager as well. I do not need to tell Members about the competition out there in the market place. When we think of competition, we must think in a global context because everybody is trying to attract the same people—the people from Europe are trying to attract the Americans, and the Americans are trying to attract the Europeans. We, in the Cayman Islands are trying to attract the people from Europe, as well as from Japan, Canada and the United States. So we are all in that global market-place, and we need to pay attention to what the competition is doing to make sure we maintain our market share.

Earlier, one of the Members across the floor spoke about the Japanese market and the collapse of a brokerage house. I believe he also spoke about the way in which the Japanese government handled it. On the Internet the other night, I found a document about the Yamaishi Securities Ltd., the oldest Japanese brokerage house which shut down resulting in the country's biggest financial failure since World War II. The article went on to say, "Financial sources say that a last-ditch review at a meeting of the Yamaishi Board of Directors determined that it had no chance of surviving the credit crunch, shrinking business in a high profile scandal." But that was not the only one. That crisis follows the collapse in the past month of a second tier brokerage firm, Sanyo Securities Company, and the tenth ranking commercial bank Hokkaido Bank.

We have to be realistic about what any particular government, or any regulatory system can do. What we have to bear in mind is that no system in place in any country today will catch the person who wants to do mischief. The American system does an inspection. According to the Americans, that is the perfect system. But the inspection carried out yesterday afternoon may say the bank was perfect—yesterday afternoon—it does not talk about today, tomorrow or next week. So if the mischief is done today or tomorrow or Monday, that system does not catch that either.

In its original design, the system of the Bank of England was a document system, where the banks had to report their position. They found that did not work either. Between the reporting came the problem which was brought to the forefront, including in a public forum, before the next reporting period. I believe that they now have a revised system where they have the ability to look at systems, but they also have a provision within the law to go in and inspect them. I say to this Honourable House and to the public that neither system will catch the person who wants to be mischievous. If they are there in that system long enough, they would wait until the inspection is over, have an idea when the next inspection will come, and within that period commit their 'rascality,' if I can use that expression.

It is no different in the Cayman Islands. The Monetary Authority which flows from the Financial Supervisory De-

partment is a new entity. It was the right decision to have taken, in my view. Some people talk about autonomy. Let me put it this way: If you have one man with autonomy versus eight people with autonomy, which way do you believe you are more secure? I am a firm believer. . . and I know this is sensitive, I do not have my head buried in the sand, but I think there is a need to bring this point out and I do not want to get into personalities. Any Organisation with one person at the top having all the legal power and authority, who does not have to report to anybody, needs to be sure that the entire system within Government and that Authority has checks and balances. I feel safer, personally, having a system as it is right now, rather than trying to say that a system that has been upgraded in recent times is better able to handle the situation of this country than the Executive Council of this country. I do not believe it, and I will not tell anyone that is so.

Mr. Roy Bodden: We would not expect you to say anything else.

Hon. Thomas C. Jefferson: What I say is my opinion.

There is the other side of this coin too. If you have a company which is insolvent and there is no tangible hope of keeping that organisation alive, the Companies Law says you have to act, otherwise you are as guilty as anybody else. I believe that what was done, and to the best of my knowledge every Member of this House knew what was going to be done, was the last resort without any hope of saving it.

What is also important, as far as the Executive branch is concerned, is that once the Judicial arm of Government says 'This is my authority,' the separation of powers dictate that we do not interfere with the process. I hear great calls, and I am in complete sympathy with all the depositors who are obviously going to lose some amount of money. . . and I even heard the rumour that Thomas Jefferson had a large amount of money, that I withdrew it and that created the problem. My Almighty God above knows that that is inaccurate. But they spread all kinds of rumours on me, it must be because I am over six feet.

Mr. Speaker, this area is one that the Government has to find a solution for so that in the future the impact of another closure. . . and let us be practical, it is going to happen. No country with banks or companies registered or licensed has never had a failure. So we are not operating in a Utopia, we are operating in a practical world. I believe that Honourable Third Official Member responsible for Finance and Economic Development is going to address that in his reply. We have a Bill that will be circulated to Members on that subject dealing with depositors' insurance.

Some people will probably say that it should have been in place years ago. When those same people had the influence to put it into place they did not do so.

I want now to move on to another subject. I do not know if you would like to take the luncheon suspension.

The Speaker: We can go on for another ten minutes, or would that interrupt your train of thought?

Hon. Thomas C. Jefferson: I would appreciate a break. But I hope, with your words to us days ago, we reconvene properly.

The Speaker: Proceedings are suspended until 2.15 PM.

AT 12:36 PM PROCEEDINGS WERE SUSPENDED

PROCEEDINGS RESUMED AT 2:35 PM

The Speaker: Please be seated. The Honourable Minister for Tourism, Commerce and Transport continuing.

Hon. Thomas C. Jefferson: Before we took the break I was trying to answer the question of what the people of the Cayman Islands received for the amount of money the Government spent. In answering that I made reference specifically to the health services and indicated that I did not have an accurate figure, but would say that at least \$18 million was spent. Thanks to the Minister responsible for Health in these islands I do have an accurate figure: From 1994 until 31st October, 1997, this Government spent \$25.9 million in trying to provide modern health care facilities for the people of this country at the George Town Hospital as well as in the districts of West Bay, Bodden Town, East End and North Side. We have spent \$4.6 million in medical equipment, and \$21.3 million in the construction of medical facilities.

Shortly before the break I was also talking about the First Cayman Bank situation. There was another query which I did not address. Maybe it was more of a comment made within the public place about Executive Council Members being directors of banks, asking if we, in our positions as Members of Executive Council, are really directing ourselves if we are directors of banks. The system has always been that the technical work is done within the Monetary Authority or the Financial Supervision Department (if we go back a couple of years). No Minister or Member of Executive Council interferes with the process—we are not allowed to. We basically deal with the recommendation that comes from the head of the Monetary Authority, and make a decision.

Long before the Registry of Interests was put in place by this Honourable House every Member of Executive Council had to (and still does) declare their interest to the Governor of the Cayman Islands, who is the Chairman of Executive Council. When that matter comes before the Council for a decision process, any Member who is a director of a bank must declare his interest. If it is the wish of the Chairman, he can be asked to leave the table, allowing the discussion to go on in his absence. Being quite familiar with the process, I am able to intelligently say that the system presently caters well to any possible disadvantage a person may think of, or any rumour that may be spread about a Member of Executive Council being a member of a Board taking advantage of any particular position. I do not believe it is so.

I wanted to make a few comments in particular about the Pedro St. James Castle, the birthplace of democracy in

this country. Sometimes we hear much about vision. I believe that most people who have vision in this Government take a lot of licks. Every time we come up with a vision, we take many different blows for it. The vision here of restoring Pedro Castle, and then going to the bank to secure funding for it, caused that bank to do an appraisal document of the project which put the project (according to their estimate) at an excess of \$8 million. I do not believe that I have to remind too many people in the Cayman Islands of the brouhaha that went on, particularly during the latter part of 1996, about this \$8.6 or \$8.7 million for it. Put it all down to politics.

I think I said at that time (and I say again) there is no way that this Government would spend that amount of money on a project such as Pedro Castle. I am proud to invite any member of the public or any Member of this Honourable House to come visit and see what is being done; see what has been restored at Pedro St. James, (which we all call Pedro's Castle), and what is available to locals and visitors alike. The castle is complete with furniture of that era and is ready to be brought into operation. The visitor's centre is being constructed which will be comprised of a multi-media theatre, a cafe, additional parking facilities, offices for the manager and staff, and all indications are that the project will be completed by the end of April. We look forward to formally opening that attraction shortly.

I would not claim that the figure I have is the final figure, but we are at \$3.8 million for the entire project. There is that famous contingency warrant being released, but I do not know what amount of money has been spent from it as yet. If we look at it realistically, the persons who prepared the document will be the most surprised persons of all to see that we have come in much below what they said the project would cost.

The Botanic Park captures many acres for the future population of this country. We have spent a good bit of money there to ensure that we have the proper facilities. We have the Heritage Gardens which some of us talk about, the sand yard with the conch shells leading into the 100 year old cottage, and the traditional medicinal plants and flowers. We have a new visitor's centre that has some accommodation for staff, a lecture/conference room, a gift shop, a snack bar. We have a colour garden which I think is magnificent, especially when rainfall is prevalent. I believe that it is time to consolidate and make sure that we have the operations properly managed and move with the objective of making the project a self-financing one. It is a tall order, but I believe we can make serious in-roads in that one as well.

Mr. Roy Bodden: (*inaudible interjection*)

Hon. Thomas C. Jefferson: Mr. Speaker, we are going to ask the Member for Bodden Town to give us sufficient funds to build the road that leads into it. I know his support will come. There is a need (if I heard him correctly) to ensure that that road is properly paved. We have been working on that. It is not a public road, so we first have to make

it a public road before we spend serious money belonging to the people of this country. In the meantime we will try to ensure that the road is passable.

In dealing with traffic, it is my wish to place on the Table of this Honourable House during this Meeting the Seat Belt Regulation. We have had discussions on it with Members of this Honourable House. The amendments to the regulation are presently with the Legal Draftsman, and hopefully next week we can move it on to Executive Council and have it formally approved and laid upon the Table of this Honourable House before this Meeting ends.

We wish to move on with our vision (I got caught up in this word used by the First Elected Member for George Town) regarding driver and vehicle licensing. I believe it is high time that we moved to decentralise this process. We do not require everybody who lives in the Cayman Islands to drive to George Town to license their vehicle. I believe that new vehicles, and I mean manufactured new, should not need to be inspected on an annual basis. If they are inspected at the end of three years, that is probably adequate, provided they have had no major traffic accidents.

Mr. Roy Bodden: True.

Hon. Thomas C. Jefferson: I think this is in keeping with making that process of inspection and registration a bit more user friendly. It would also be good if the inspection process could be done in the respective districts by some competent mechanic in that area.

The decentralisation of this process will be one of the key areas the Ministry, and will be moving forward in 1998 and 1999. First of all, the computerised system they are using which captures all of the licence plates of the vehicles registered in this country is so obsolete, I am wondering how it actually works. One of the first things we propose to do in 1998 is to put a proper computerised system in place. We want to look at how this system can be extended into the districts, whether at the Post Office or some other facility within the districts and cause the inspection and registration to be done in the districts, and for those district operations to have access through a computerised system. Any activity of registration will be recorded in the system and retrievable whether you are pulling it up on the screen at headquarters, or you are looking at it in East End. I believe that is a must. I believe that the facilities in George Town need major improvement. We are going to look at that seriously in 1998.

We are also going to look at regularising the buses travelling between the districts. We are going to look for a system that requires them to not only be licensed to operate the bus, but also to secure a licence to operate the route. In that way, you will have the authority to be moving passengers between West Bay and George Town, for example. If you do not have that licence, you will have no authority to be doing it. We have to bring some order to this process. We have to join hands. It is another national issue.

If we allow people to pick us all off, putting this one against the other one, this issue will never be settled. God

knows, as well as the Third Elected Member for George Town, that this issue has been around for the past 20 years or more. One thing we should do within the next 24 months is solve it. It is a hot pepper, but I think we have to bite it and move on.

Mr. Roy Bodden: Encourage them to form co-ops.

Hon. Thomas C. Jefferson: Mr. Speaker, I hear the comment from my friend from Bodden Town.

Mr. Roy Bodden: I give my consultancy free too.

Hon. Thomas C. Jefferson: He is offering consultancy and everything else. As I said earlier, you will have your time as well as everybody else. There will be a call for assistance because we cannot do this by ourselves.

It is getting close to Christmas, I am mindful of that. I am going to move on to the district of West Bay to say that I certainly welcome and appreciate the assistance of the Ministry for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation in providing the people of West Bay a modern district health facility. I hear on a daily basis positive comments about that. I can only say that I too look forward to the garage being used by an ambulance so that we have one in our district. The traffic along Seven Mile Beach is not easy to negotiate. If you are critically ill you may need treatment not available at the district health centres.

We have some money in the Budget for roads. As I understand it, on an annual basis we are going to try to re-surface roads throughout the islands district by district. May I point out, Mr. Speaker, that the comments I made earlier about what we got, in terms of how much money this Government has spent. . . I hope the listening public heard the comments I made in relation to the buildings for education. It is an example of the way in which this Government has spent money. We have spent it throughout this country. We have not limited it to any particular district, or only to the districts of the Ministers on Executive Council.

We look forward to the beginning of our Civic Centre. In recent times every graduation of the children of the John A. Cumber Primary School could not be accommodated within the district of West Bay. There is no facility that can hold them. They used the Town Hall at West Bay for many years. That is now grossly inadequate. There is a need from both a centre for activities (be it for sports or otherwise), and also for a hurricane shelter for the people of our district. I think that the funds provided in the Estimates will actually be sufficient to start the project and hopefully complete it in 1999.

We have funds allocated for the parking lot and boat ramp near our public beach within the district. It was about two years ago that we bought the additional land. We have not moved forward with it for a variety of reasons, but we hope, assuming this Honourable House approves the sum of \$75,000, to do the parking lot and have a small launching ramp there as well in 1998.

I must say that in my movements in and out of the district I have to pass the public beach. Every time I pass by it is being utilised by not only the residents of the district,

but sometimes residents of other districts and visitors here on a temporary basis. Even the people from George Town come to West Bay. We have a nice district. A lot of people like to come there. We might even see a few people from Bodden Town soon too.

Mr. Roy Bodden: I believe so!

Hon. Thomas C. Jefferson: Those are my words and my contribution to the Budget Address. I again congratulate the Honourable Third Official Member responsible for Finance and Economic Development on his presentation.

The Speaker: Does any other Member wish to speak? *(Pause)* The Elected Member for North Side.

Mrs. Edna M. Moyle: Thank you, Mr. Speaker.

As I stand to offer my contribution to the debate on the Appropriation (1998) Bill, 1997, there is not much more that can be said. We have had the lawyer's contribution, the sociologist's contribution, the educator's contribution, the account's contribution, and, last but not least, the economist's contribution.

There have been various headlines in the local newspaper over the last week. Some have read, "The Government is broke," some have said, "Most concerns were answered," some have said, "Let's live within our means," and the list goes on. I am sure that the Honourable Third Official Member responsible for Finance and Economic Development will have a very difficult time coming up with answers to the various queries that have been posed by previous speakers on the 1998 Budget, but I am sure that with his capable staff and his ability that he will guide us and make the proper corrections as may be needed.

I will have to join my good friend the First Elected Member for George Town, in giving the layman's contribution to the debate on the Budget Address and the Estimates of these islands.

First of all, I would like to say (as did the Honourable Financial Secretary in his Address) that the economy of these islands has recorded good growth in all the main sectors. I can see this, but I wonder why we are not putting away more for a rainy day while the economy is booming? If there were a recession, we would then have funds to tide us over.

I, too, would like to say that I feel sorry for the depositors of the First Cayman Bank. Not being privy to exactly what took place, I will not elaborate, but I wonder if the Government—and I am sure that it has—has considered what effect the closing of this bank will have on the financial industry of the Cayman Islands. Thus my plea to put more funds away for a rainy day.

I will deal with the Budget more or less as the Financial Secretary presented it to us.

Tourism: I would like to congratulate the Honourable Minister and his staff for their efforts in promoting these Islands, and in bringing more tourists to the Cayman Islands. As he said this morning in his debate, the Tourism Department and the Ministry investing \$21 million will bring

back some \$375 million to these Islands. I say, well done. I would like to congratulate him on the Botanic Park, which is located in my District, which any government or any people would be proud of.

Agriculture: I believe that the Agricultural Department and Ministry are playing a vital role in assisting farmers throughout these Islands, and they must be congratulated on their small achievement. But as was said in the Budget Address, it is important to be self-sufficient in green bananas and mangoes, even though I know one of my colleagues on this side would probably disagree with me. They have a long way to go, Mr. Speaker. We all know that the Cayman Islands are not blessed with large tracts of land that can be developed in agriculture. We know our soil tends to be in small pockets, and it will be some time before the Agriculture Department can see results as we all would like to see.

Health services: Mr. Speaker, I personally cannot give this Honourable Minister enough praise for his dedication and commitment to providing these Islands with proper health care facilities which our people deserve. Mr. Speaker, I would stress that health care facilities are a priority in the Cayman Islands, and I believe that if this Honourable Minister needs \$7 million to complete the George Town Hospital, we, as Members of this Parliament should be prepared to grant that \$7 million, putting into effect those famous words we all use, 'country before self.' If I am called upon to give up the money in the Budget for my District in 1998 to provide proper health care facilities for the people of the Cayman Islands, I am prepared to do that and suffer the political consequences in the year 2000. That is my contribution, Sir.

Mr. Speaker, I believe that prioritising projects in these Islands at this time is a must. We must deal with those of a priority nature—the Hospital, schools, tourism projects, roads. We cannot stress enough that money for our schools is needed, as the education of our children is the future of these Islands.

Roads—and I know the Honourable Minister for Works and Communications will be speaking after me, and I would ask him to deal in depth with what is going to be done to help the people of the eastern districts. today, Mr. Speaker, I would like to be in this Parliament looking at a road plan for the future, not just a blanket amount of \$4 million for roads, but a plan to tell me where that \$4 million is going to be spent. The road from Pease Bay in Bodden Town to Frank Sound, which I am certain the Members from the District of Bodden Town will bear me out, is about the worst piece of road in the entire Cayman Islands. It has more traffic on it due to the fact that the only supplier of crushed rock, particularly for the Harquail Bypass or any other road in these Islands, is in the eastern districts. Some mornings there are fifteen trucks in a convoy travelling on that road. It is being destroyed. And Mr. Speaker, if something is not done now, the amount of money to be spent in the future will be tremendous.

The people from the eastern districts, Mr. Speaker, have severe traffic problems, perhaps more so than those of my good friends travelling from the District of West Bay. They have traffic now being blocked or stopped all the way

to Lower Valley and sometimes into Guard House Hill in Bodden Town. The people, and I speak particularly of my North Side people, Mr. Speaker, were hit the hardest earlier this year when we brought a tax package with the tax on the gasoline. They are spending more money on gasoline than any other residents in the Cayman Islands, and I believe, Mr. Speaker, it is only fair to the people of the eastern districts to be given some consideration in providing them with a better traffic flow into George Town in the mornings. If parents do not leave North Side by 6.45 in the morning to drop their children off at school, they will not reach work by 8.30, and I say this is not fair! I would ask the Honourable Minister, because he is from the District of East End, to tell me in his reply exactly what amount of money is earmarked for the Crewe Road Bypass to assist the people of the eastern districts.

Mr. Speaker, as I have said before, I will continue to support any funds that are needed for education in the Cayman Islands, because a proper education for Caymanian children, or any children in this country, is a must. The Lighthouse School has my support one hundred percent. This, Mr. Speaker, is another priority.

Mr. Speaker, I have gone through the Budget document. . . and I know the Honourable Minister for Education is quite capable of explaining this to me. He has already spoken on the Budget and I am sure he will be come out firing on the Loan Bill. I have seen certain figures in the Budget—\$1.550 million for new school programmes, primary schools; \$1.45 million for new secondary schools for Grand Cayman; and then I see New School Programme of New Development and Renovations projects for high schools in Grand Cayman and Cayman Brac. Mr. Speaker, I support whatever is done for the people of Cayman Brac and Little Cayman, but I honestly hope that it is not the intention to develop a new high school in Cayman Brac, when I understand that there are just some one hundred or one hundred plus students. I feel if that money is available, and with all due respect to the people, that new high school should and must be built in Grand Cayman to alleviate the burden of the John Gray High School. . .

Mr. Roy Bodden: . . . and to serve the eastern districts.

Mrs. Edna M. Moyle: . . .and to serve the eastern districts, as I am reminded by my friend, the Third Elected Member for Bodden Town.

Mr. Roy Bodden: Here, here!

Mrs. Edna M. Moyle: And when the time comes, should it come, that there is a need in Cayman Brac and Little Cayman for a high school, you will have my support one hundred percent. I believe, Mr. Speaker, that if the primary school is needed more in West Bay than George Town at this time, or if it is needed more in George Town than West Bay, or if we are in a position to afford both primary schools, we should go ahead and build these primary schools. But let us put sufficient monies in the Budget to complete these projects. Maybe this can be done by drop-

ping some projects that are not priorities, or that are not as urgently needed.

Mr. Speaker, I was just speaking on the high school situation in your District, that of Cayman Brac, I am very pleased and happy that the incentives given by the Government have given a boost to the real estate market and the construction industry in your Islands. I believe that the Government should continue with these incentives as long as it takes, so that help can be provided for the people of Cayman Brac and Little Cayman. But, Mr. Speaker, as I have said from the floor of this Parliament before, and being the representative for the District of North Side, I once again ask Government to look at providing some similar incentive to encourage some development to move to the eastern part of this Island.

Maybe people will not believe this, but in the District of North Side there was one small hotel that has closed. The people who were working in that small hotel are now unable to find employment. Not that they do not want to work, Mr. Speaker, but all employment is in George Town, or the majority of it. These people are not in a position to buy a motor car. There is no reliable public transportation. Unfortunately for them, they have to sit at home, or they have to take in somebody's laundry, or they leave the District completely.

Mr. Speaker, as hard as it is for me to say this today, if something is not done for the young people in my District (because they are all moving out)—some shorter travel route, some easement of the traffic congestion—in another five to ten years my District will be a ghost town. I personally use my kids as an example. I am not a person who likes to go out in public and sing praises or bring notice to my life, but they are in a position where they could have over 200 acres of property in the District of North Side to build houses on or apartments. However, because of the distance and the traffic congestion, they have all chosen to leave that District to buy apartments in George Town.

As I am reminded by my very good friend from Bodden Town, relocating does put economic hardships on these young people. I can use the example of my own kids again. Had it not been for Mom and Dad being there to help them, they could not have made it. I implore the Government to urgently look at some ways and means to help the eastern districts get some controlled development, ease for the traffic congestion, some shorter route for their travel. You know, some people will say, it is mind over matter in regard to the travel to George Town being so long. Mr. Speaker, I have travelled that road many, many years. I travelled it when I was a race car driver. I travelled it when I had slowed down, and I am travelling it now at an old woman's pace. But it is actually a half hour drive, not any more. I left my home in North Side on Monday morning at ten minutes to seven, and I arrived at my daughter's apartment on Crewe Road at ten minutes past eight.

Mr. Speaker, these are my concerns. Maybe these young people from the other districts are being passed up for promotions at their job sites, over the mere fact that they are not able to get to work on time. I would ask the Financial Secretary, the Ministers of Executive Council, to

please give some consideration to the eastern districts. I know, Mr. Speaker, they will not let me down.

I now turn to Sports: I know the Honourable First Elected Member from West Bay is not going to expect to hear from my mouth words congratulating him on what he has done for sports in these Islands. I would like to say to him that he has done a fantastic job!

Mr. W. McKeeva Bush: But why shouldn't I expect it now? All these many years you've been congratulating me! You shouldn't stop now!

Mrs. Edna M. Moyle: I would like to thank him for what he has done in my District, providing proper sporting facilities. Having been an athlete in my younger days, a sports-woman, I know the part sports can play in developing a positive way of life for the young people. It played a tremendous part in my life. It made me so independent, Mr. Speaker, that I think I am too independent right now for my own good! But, Mr. Speaker, I would like to say that maybe it is time for us to complete the facilities in all the districts that are going on at the moment, to see that these facilities are being utilised properly; coaching be extended to the outer districts; and then next year we can once again start on our new projects.

Mr. Speaker, I would like to congratulate the Financial Secretary on the depositors' insurance he is about to bring to this Parliament. I would like to say to him that maybe it is time for the Government to look at some consumer protection along with the depositors' insurance, because I believe that this consumer protection legislation is long overdue.

Mr. Roy Boddén: Here, here!

Mrs. Edna M. Moyle: Should I have to bring a motion to Parliament asking my very good friend from George Town, the First Elected Member, to second it so that we can provide some sort of legislation to protect the consumer, I will at the next meeting. But I know the National Team, being the good Government it is, will work on it before it comes to that.

Recurrent expenditure: Much has been said about the increase in recurrent expenditure, the increase in the civil service, the numbers. But what else can we as Parliamentarians expect, if every year we are going to go into 26, 34, 36 million dollars of capital expenditure, providing new facilities, new services? These facilities have to be staffed! There are other recurrent expenditures that go along, so we have to make up our minds whether we want to continue the trend of spending these vast amounts of money on capital projects every year, hoping to control recurrent expenditure. I do not think it can happen. It is impossible. Maybe when the reinvention is completed, it will prove that some of the services now being offered by the Government should be offered by the private sector, thus helping with the recurrent expenditure.

In going through the Budget, the Estimates, I am a little bit concerned when I see the constant increase in grants, contributions, subsidies and so forth over the year. I

am certain that these are all justified. But for my ease of mind, I would really appreciate some sort of explanation. I particularly would refer to the pensions, and I do not want anyone inside this Parliament or outside this Parliament to think I am not interested in the well-being of our elderly. But what has come to my attention in my District is pensions for the needy over 60. I am constantly being bombarded by every soul who has reached the age of 60, telling me they are now entitled to \$200 from the Government. I need this to be explained to me so that I, in turn, can explain it to them. I tell them that as far as I know it is not so. But they are telling me, *'Yes, I applied, and I got it. Now I have told my friend and they applied.'* I am concerned, Mr. Speaker, and I was hoping that the Honourable Financial Secretary would have been able to answer the question this morning.

I am not concerned about the official travel of Ministers. I do realise that the Ministers of Parliament have to travel. But I am concerned in the increase of official travel in the Budget year after year. I do not believe that this includes the Monetary Authority official travel. It does not include official travel by members of the Port Authority. It does not include the Civil Aviation—none of those authorities. It does concern me, Mr. Speaker, and for my ease of mind, I would appreciate if the Honourable Financial Secretary could give me something as to why these are increasing annually.

Women's Affairs: I intended to speak on this subject before, but the First Elected Member for Cayman Brac and Little Cayman, now the Minister for Community Affairs, Sports, Women, Youth and Culture was not in the Chamber. I would like to offer my sincere congratulations to her on her election to Executive Council, I am certain that she will do as good a job as any of the men on Executive Council, and in my humble opinion, being a woman, maybe better in some instances.

I was a little bit disappointed. . . and I cannot blame this on the past Minister, because I have heard him say in the Common Room that he was not involved in the Budget process. I cannot blame it on the new Member responsible for Women's Affairs. But I am going to throw it out to the new Member to see if somewhere along the line something can be done. I was disappointed in not seeing some financial provision in the Budget for a place of safety for battered persons. I say battered persons, Mr. Speaker, because when I brought the motion for the Women's Affairs Office (I think you will recall my debate), I said I wanted it done in partnership with male counterparts. So I say 'battered persons,' whether that person is a male or whether that person is a female.

The time has come, and it is a priority, to have a place of safety where we can take these people. My biggest concern, Mr. Speaker, is the children that need this place of safety maybe even more, because they are the ones who are suffering the most. I am sure that the new Minister will do her best to have some sort of financial assistance somewhere along the line to provide this facility.

Mr. Speaker, you know I am not one of those long-winded speakers, and I think I have even gone beyond the time I normally speak, but I would ask the Government to

think long and hard about going into another Loan Bill at this time. Let us do priorities, let us provide these for our people. I have heard that we do not have to worry until we have to borrow to pay recurrent expenditure. Mr. Speaker, no one can be sure of when that could happen to these Islands, so I say, let us be careful.

Mr. Speaker, I have seen, projects for my District in our Budgets over the past three years that have not been touched, back in the Budget again in 1998. I would leave Executive Council and the Honourable Financial Secretary with this question: Is it possible for the Public Works Department to complete some \$28.6 million worth of capital development in 1998? If it is not, Mr. Speaker, let us cut back and not put forward this amount of money.

Mr. Speaker, I would like to thank Honourable Members for listening to me, and I hope that I, not as a professional but just as a humble person looking at the Budget, have been able to contribute something. Thank you.

The Speaker: Does any other Member wish to speak? The Honourable Minister for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: Thank you, Mr. Speaker. Once again, it is indeed a proud moment for me to be able to stand here and debate a Budget for this country. Although many have been critical of the Budget which we have before us, I say that we should be on our knees thanking Almighty God that we are able to offer the people of this country the standards we do.

I know that this House is a House of politicians and politics, but what is real is real. I do not agree with everything in this Budget, but the fact remains that I know it is what is right at this time for this country. There is a saying that you must cut it according to the cloth you have. We have taken many, many weeks trying to put something together within the means of this country. I think it is unfair that some persons ridicule a Budget, and, in ridiculing, put our country down.

Thank God for the Cayman Islands. I am pleased to know that I am standing here delivering my 21st Budget Address. I thank others for their contributions, but let us not forget, Mr. Speaker, that what we have today took many hard years to build, but we can destroy it overnight.

Politics is one thing. Running this country is another. I have heard so much on this Budget. I do not hope to repeat all that I have heard, because I think it would be a waste of time. I am going to deal with the areas I am responsible for, and, as everyone knows, I have the largest Ministry.

Mr. Speaker, I will start with the part that is near and dear to my heart. I speak of agriculture. Let me say, as an old farmer once said, if one is not aware of how a seed is planted, then he will never know how to reap the crop. I heard some rhetoric in this place a few days ago, with regard to what is happening with agriculture in this country. Dear God, one really wonders where that individual has been! Anyone who knew what this country was some time ago, as far as agriculture is concerned, knows that today

the standards of agriculture have surpassed what they were many-fold.

When I heard about the Farmers Market and the type of bananas, and this thing and the next thing that are actually sold there, I really wondered if it was the one I actually go to each day. I am pleased to know that I can stand here and say that animals and plants and all the crops we produce here today are of the highest standard. Not only here in Grand Cayman, Mr. Speaker, but I can also boast about Cayman Brac, because there are certain crops grown in Cayman Brac that we are not successful with here. As a matter of fact, in a few days we will have another induction into the Agricultural Hall of Fame. One of those stalwarts will be from Cayman Brac.

I recall that when I took over Agriculture, Mr. Speaker, we talked about cattle in Cayman, but we talked about 'scrub' cattle. I was most pleased that at every Agricultural Show persons coming down from the United States (where the standards are very, very high) told us that it was commendable to see the type of animals and crops, especially the things we are almost self-sufficient in, such as bananas, plantains, mangoes, avocados, and the list goes on. But if you do not know how to plant a seed, you cannot reap a crop.

I will now move away from agriculture, and I will go to roads. I know much has been said on roads, and I would like to say to this House and to the listening public that I wish, as Minister who is aware of what goes on with roads throughout the Cayman Islands, that my Government had sufficient funds to say to me, '*Fix the roads throughout the Islands.*' But let me say, Mr. Speaker, that we must work in accordance with the monies available from our revenue.

When I hear stupidity, sometimes, talked about what has caused congestion from one area or the other, well knowing that we, through the Public Works Department have planned as much as we can, have made recommendations to the Government. . . . Thank God, thus far, we have almost completed with the Harquail Bypass. Everyone knows I have constantly told the House where we are with that. We hope that will alleviate the problem on the western end of the Island.

We have plans in place to start the Crewe Road Bypass, come next year. We have already Gazetted the corridor. Mr. Speaker, when there was a helicopter on the Island, my Chief Engineer and we actually followed the traffic flow, especially to the eastern districts. We know exactly what the problem is. We know where the problem areas are. Like I said, I pray to God for the money—if we had had it, the road would have already been built.

We know the areas, certainly they are not in North Side, not in East End. We know the problem starts in the Spotts area. The congested area is in Prospect and Crewe Road. Our plans are to actually put in a third lane on a portion of Spotts straight, to tie in to the old Prospect Road, then into the Crewe Road Bypass, which we hope will alleviate the problem.

Mr. Speaker, I would like for somebody to tell me—and I think I am as much travelled as anybody in this House—what happens when they go to Miami, to Tampa, to England, or to Jamaica, and they have 7AM traffic, 12

land, or to Jamaica, and they have 7AM traffic, 12 noon traffic, 5 o'clock traffic. Tell me what happens! I know there is no place in the world like Miami with more bypasses and more roads, but they have congestion.

The other question I would like to pose is: How many families in this country today are prepared to have one vehicle? We talk about no bus service. Dear God, that is some of the congestion on the road! Sometimes I believe we have too many buses on the road! But the fact remains, and I will say I am as guilty of this as anybody else, a household with five vehicles leaving literally the same time. . . where are we going? If we are coming from the eastern districts into George Town, how much traffic can George Town absorb at one time? You can filter into George Town, but if you do not have parking, then you get the domino effect and it backs up! You only need to see it one time, Mr. Speaker. You can go out there at 7 o'clock in the morning (if you leave home at a reasonable time) and not going to get into the congestion. But if you are going to leave at that peak hour, you need only one person to ride his brakes and stop and let somebody out—the domino effect could go back to Bodden Town. It is as simple as that. Give me the money, and I will try to correct it.

I know that in this Budget we do not have sufficient funds to complete the Crewe Road Bypass, but I believe in stages. I am man enough to make a suggestion that I have not heard in here before, because it seems as if a lot of people believe that dredging is a bad word, and everybody jumps on the bandwagon. I am expecting that I will see letters about what I am going to say now, but I have no apologies. I am certain that what I am going to say makes sense financially, and it would save this country a lot of money. The fact remains, that Almighty God gave us the natural resources. I totally agree we should not abuse them, but the fact remains, if it is the survival of the country, I think we should utilise them in the right way. It is my belief that, cost-wise, if Government would take a decision, we have acres and acres of property alongside the airport. We have a mound of marl where we could pump our own marl up there, build this road, and I am sure that in so doing, Mr. Speaker, we could probably save \$4 million on the cost of that road.

But you know what? Like I said, I am sure you will hear now that John McLean is supporting dredging in the North Sound. Sensible dredging, yes! And I think that is sensible for this country, and it would save us the money that I hear people talking about should go into General Reserves. Right here is where we could take money and put it into the General Reserves of this country and at least have \$4 million in there one time.

Mr. Speaker, I would like very much to touch briefly on the Ministry of Health, just to say how pleased I am, with the efforts put into working along with other districts and making sure that the standards of health have risen. I am certainly pleased to say that today in my District, we have a beautiful clinic. There is also one in West Bay. We have a lovely Hospital coming on line, and I think I am speaking on behalf of the people of this country when I say that the Minister should be commended. While it has been a joint

effort, he has given his all, and the people of this country can be thankful.

In recent times we have taken on more responsibilities in my Ministry. I am proud to know that I could assist by taking it on. I am also pleased to know that one of the things that has been taken on is the Water Authority. Some work has been carried out For the eastern districts, and it is my intention and commitment that we will do as much as is humanly possible to continue to put good, fresh water into those districts. I was told a couple of days ago now that the Water Authority has been passed over that project will come to an end. That is far from being the truth. This is the sort of propaganda that goes around this country, Mr. Speaker. I would like for the country to know that as soon as we have worked out certain things, we are going to be continuing as speedily as possible to make sure that is done.

When I speak of the eastern districts, I would like everyone to realise that I have lived in the eastern district. I was born and raised there. I too have a special love for those districts. Do you know what? Whatever is going to be good for George Town is going to be good for those districts as long as I am here. That has always been my motto. I have always tried to get what was best, not only for East End, but for the eastern districts.

I could easily revert to speaking a little bit on road works, George Town to East End and North Side, especially in congested areas such as the Bodden Town area, where we have a very narrow road. If we are going to tell the truth today, we know that we have tried our best to widen where we could widen, and we have put it as good as we could with the funds available for us to work with.

I am also going to say this: As far as working with things here in Grand Cayman, and especially with things such as water and anything else that falls under my Ministry—and of course I am going to support my other Ministers who have responsibility for other things—as far as I am concerned, there are three things I must continue to support, that is, education, health and (the bad word we hear about all the time) roads in the Cayman Islands. Quite necessary!

Recently we heard so much in this country which will in some cases cause some damage to these Islands in the long run. I speak of the incident—and I am not going into this in depth, but I must mention it. . . I am appealing to the public with regard to what has been taking place here in regard to the bank to realise what they are doing. We have built one of the best financial centres in the world in this country. It is here now. Mr. Speaker, it can leave us tomorrow. I am appealing that what has been taking place in this country be relaxed, and let it take the proper course. Instead of going out there and stirring people up, I think we should go out there and try to say to them, '*Be responsible.*' Mr. Speaker, God knows the last thing we need is to lose the goose that has been laying the golden eggs for this country.

The Speaker: Would this be a convenient time for you to take a break?

Hon. John B. McLean: Yes, Mr. Speaker.

The Speaker: We will suspend for fifteen minutes.

PROCEEDINGS SUSPENDED AT 3.53 PM

PROCEEDINGS RESUMED AT 4.18 PM

The Speaker: Please be seated. Proceedings are resumed. The Honourable Minister for Agriculture, Environment, Communications and Works continuing.

Hon. John B. McLean: Thank you very much, Mr. Speaker. Just for the information of the House, I was here in the building, and I was not trying to escape, as someone said the other day that I was disappearing when I needed to speak. But I have news for them!

Anyway, Mr. Speaker, I would like to touch on a couple of the other matters which are handled by my Ministry. Before going into that, I would like to touch once again on our plans for water. I think I mentioned in a broad way that we were dealing with it as speedily as we could here in Grand Cayman. I would also like to say that as soon as possible, we will be doing everything possible to look at water in Cayman Brac, and, of course, we will look at Little Cayman. My motto has always been, whatever is good for one of these Islands, if I have anything to do with it, it has to be in the others.

To go a little further, now that I am speaking about Cayman Brac, I would like to mention that for the first time in the history of the Cayman Turtle Farm we have been able to now supply Cayman Brac and Little Cayman with products fresh meat. It is being done now. We intend to do whatever possible to make sure that the supply will continue. On a regular basis we will be shipping to those Islands. I would also like to say that, especially with the turtle meat, you, Mr. Speaker, and the First Elected Member for Cayman Brac and Little Cayman, have been very influential in assisting me to make sure that the supply has been passed on to the Sister Islands.

Mr. Speaker, I could not but speak on behalf of the Public Works Department, because it is a fact that everyone at some time tends to quarrel with, talk about, run down or do whatever you want to say about Public Works. But, Mr. Speaker, the fact remains that it is a good thing we still have good old Public Works! Every Ministry, and not only every Ministry, but every Member in here must depend upon Public Works in their respective districts. I am not here to say that everything that is done by Public Works is correct. I would be wrong to say that. But I think that credit should be given where it is due. We should not always hear the negative things about the Public Works Department. The truth is that as we drive around this country today, we can see some very good works from the Public Works Department. That does not only include roads, but it includes schools, and all buildings that Government presently has been constructing over the years. Very high standards!

This Department is often criticised, especially the men who have to work on roads. I constantly receive calls say-

ing, 'Your guys are out there, wasting Government money. There are six of them sitting under the tree.' You know, Mr. Speaker, that is really, really bad, because the fact remains, that we sit in this House where we enjoy air conditioning. When we are out there in the sun. . . how can we compare the two? It is only right that when somebody is actually out there working, they should have a right to take a few minutes to rest. I am not saying that I am agreeing that anybody should go off from their job, but let us be realistic about it. I am not casting aspersions at any one individual here.

As I mentioned a while ago, everyone tends to criticise them. I am taking this opportunity to congratulate that Department, and to say to them that I hope and trust that they will continue to do as good a job, and in the future do even a better job.

I promised the Third Official Member that he could make his reply this evening, and I am going to be true to my word, but I would like to touch on another thing that seems to become a football, especially in the newspapers. I refer to the project with the dolphins. Much has been said on this, Mr. Speaker. If I could explain fully, as I tried to do here before in answering a question, Government in no way committed itself to that project. The arrangements were done between the Cayman Turtle Farm, mainly to lease the property not to become involved in what is known as "Swim with the Dolphins." There was spare land there; the Board of Directors felt it was something the Farm could make additional funds from by leasing the property. That was the extent of it. Government was not directly involved in it. As far as I am concerned, my opinion is that the way this country caters to tourists, we need more attractions in this country. Not only for tourists, but for our people alike!

Sometimes when I pick up the paper and read the comments made, I believe this is the only place in the world that ever thought about putting down a project like that. Yet, some of those same people will travel from Cayman to Disneyworld to see the same dolphins! Some of the same people have ruined more of our beach land, some of the same people have literally ruined the North Sound. . . but there is nothing wrong with that! Yet this Government and the Turtle Farm were ridiculed because we were trying to put in something decent for this country.

SUSPENSION OF STANDING ORDER 10(2)

The Speaker: Could I interrupt you one moment? I would entertain a motion for the suspension of Standing 10(2) so that we can continue beyond 4.30.

Hon. John B. McLean: I so move the suspension, Mr. Speaker.

The Speaker: The question is that we suspend Standing Order 10(2) in order to continue beyond the hour of 4.30. Those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it.

AGREED: STANDING ORDER 10(2) SUSPENDED.

The Speaker: The Honourable Minister for Agriculture, Environment, Communications and Works, please continue.

Hon. John B. McLean: Mr. Speaker, as you heard, I have the support of the First Elected Member for George Town to even call the names of some of these people who have literally ruined the North Sound and the beaches, and in some areas, if I may go back on it, created nasty-looking property by shifting material to fill other areas. But I will not go into that, because by now the public is aware of what I am saying, and they have been reading the papers like me. They know exactly who those (if I may use the word) 'culprits' who are actually trying to kill this project are.

As I said before, Mr. Speaker, I am pleased to know that Almighty God has allowed us once again to at least have a Government in place that is capable, with the guidance of the Honourable Financial Secretary and his good staff, to put a Budget together that we hope will run this country for the next year. With God's help we hope to be able to look after another budget and many, many other budgets. It is my hope that God will smile on us and that this country will be no worse off, but will continue to progress. As one of my colleagues used to say, God bless the Cayman Islands.

The Speaker: I think all Honourable Members have spoken. Honourable Third Official Member, do you wish to exercise your right of reply?

Hon. George A. McCarthy: Yes, Mr. Speaker. We will have to overlook the jokes being passed by some of my colleagues!

First, let me begin by thanking all Honourable Members who made their contribution to this Budget debate in a very lively and stimulating fashion. I would also like to thank Members for the confidence they expressed in me, in the Deputy Financial Secretary, in the Director of Budget and Management Services and his capable staff; the Director of Economics and Statistics; the Deputy Director. I would also like to add the Accountant General and the Accountant General-Designate, Mrs. Sonia McLaughlin.

Mr. Speaker, I should mention that she has been earmarked to take over the position of Accountant General following the expiration of the contract of the incumbent. We know that we have a very competent officer who will be taking over that position. In fact, she has now assumed day-to-day administrative responsibilities. The incumbent is now acting more in an advisory role and deals with special tasks.

I would also like to thank the various controlling officers and other staff members who have worked quite hard to contribute to the compilation of the Budget document, because this is not the effort of one individual. I would also like to thank the Members of Executive Council and other

Members who assisted in the exercise, in order to bring the document to its final stage.

I listened intently to all views expressed during this debate. Many different perspectives on the Budget were offered, ranging from broad philosophical underpinnings to the very detailed practical concerns. Although it is not possible to respond to all the issues raised, I would like to comment on some of the main points.

In connection with the modification or changes to the Budget document, I wish to assure Members of this Honourable House that there has not been a deliberate attempt to make the Budget document obscure, nor to make the process of voting funds more difficult. In fact, far from it, Mr. Speaker, the intention was always to make the document more user-friendly by streamlining some sections of it. In so doing, no attempt was made, nor was there any intention to remove or reduce the degree of legislative control of the Budget. Accordingly, no fundamental changes to the Appropriation Bill were proposed. The four main changes to the Budget document are as follows:

(1) Capital development and Capital Acquisitions have now each been allocated a specific Head number. Capital development is now Head 54, and Capital Acquisitions is now Head 44. Projects can now be viewed in one place in the document. In the past, projects had been split among as many as three classifications, depending on the funding source. This made it difficult to understand the full capital cost implications of a project.

For example, taking the broad Head 'Capital Development.' Previously, we had Head 51, which would identify projects or parts of projects funded by local revenue. We had Head 52, which would identify projects or parts thereof funded by local loans; and we had Head 53, identifying projects funded by external borrowing. For example, we take the development of the Pedro St. James Castle. Looking at the Budget document for 1997, it can be seen that there was an element under Head 51 funded by local revenue, and the remaining funds appearing under Head 53 representing external borrowing, or borrowing from Caribbean Development Bank.

Another approach taken to capital development, Mr. Speaker, is that we now have a capital development fund. Honourable Members of this House will take note that the Loan Bill that has been brought to this House has not identified projects as done in the past. The reason for this—let us say, for example, \$20 million were allocated in a given year, \$5 million to cover projects to be funded by local revenue, and \$15 million to cover projects funded by loans. Because of the way the funds were classified in the Budget, we could get to a point where, at the end of the year or expiration of a period, instead of \$20 million being spent on capital development it may be that only \$16 million were spent. If the \$16 million related to the \$15 million against projects to be funded by borrowing, that \$15 million would have been used up by way of being drawn down from the bank. Of the remaining \$4 million that was not spent, if that came from local revenue, at the end of the year the authorisation for that money would have lapsed. So we would have found that \$20 million would have been approved for projects comprised of \$5 million from local reve-

nue, \$15 million from loans; \$16 million of projects completed, \$15 million from borrowing, \$1 million from local revenue; and at the end of the year, that \$4 million from local revenue would be surrendered. That would have the effect of making the bottom line of the Government's financial position look very good. We would show a surplus position.

What is being proposed is that a capital development fund be established. That money, as we have seen \$4 million will be going into the fund from local revenue, and funds from other sources of borrowing. First of all, before any money is drawn down against any loan or any borrowing, that \$4 million will have to be used up. If it gets to the end of 1998, and there are funds remaining in the Capital Development Fund, representing projects not completed—for example, \$2 million remaining—that will not be transferred out into the surplus and deficit account. That will not be the case. That will remain in the Capital Development Fund account.

A separate bank account will be established, and it means that during the course of any given year, with the new policy being approached or implemented by the Government, a certain percentage of General Revenue will be put into that fund. If a decision is taken that 10% should be transferred into that fund, and 10% of local revenue, and if that amounts to \$25 million, if a decision is taken that capital projects for that given period will only be \$20 million, it means an additional \$5 million would have gone into it, so the fund will be building up. The idea behind this is to recognise the concepts advanced by this Government, and Members of this House, and they came to light, particularly during the revenue-raising measures considered earlier this year, that certain revenues to be raised should be targeted to specific projects, and not be put into the general pot, as such, to be used up in funding recurrent expenditure.

So we have a situation that, at the end of the year, we may find that the bottom line of Government's financial position may not be as healthy in showing large sums of money being transferred or carried in the surplus and deficit account. But it would mean that whatever has been transferred out of local revenue and put into the Capital Development Fund would be used up. It would not be forming a part of the surplus and deficit account balance. This would mean that, for example, the same \$20 million is the total (we know it is different for 1998), but just sticking with a figure I mentioned earlier—and \$16 million would have been spent, that \$16 million, first we would have represented the \$4 million transferred from General Revenue. But instead of drawing down the full amount of borrowing to the tune of \$15 million, what would be drawn down in effect would be \$12 million. This will have the effect of reducing the public debt, managing the public debt, and it means we are managing the cash flows of Government. Because at one hand, public debt is increasing, but we are also showing balances in the surplus and deficit account. It becomes contradictory. It looks good on paper, but at the end of the day, there is a cost being incurred.

So we are really taking on board all the views shared in this Honourable House so far, and also those imparted by the Government, we are refining the process. We are

managing the funds for the benefit of the Cayman Islands community. At the end of the day, this is what we really want to get to, to know that a certain portion of recurrent revenue is being allocated in order to fund capital projects. That money is being used up and only borrowing that is necessary will be drawn down.

Another question that will be posed is, Why not identify specific projects to be funded by loans? We have in place the Public Sector Investment Programme. We have a committee. This, as an action committee, a committee that is in place to vet the capital projects being put into the Estimates and rolled into the Medium-Term Financial Strategy, or both of them blending together, it means the projects set out in the Budget document would have gone through the Public Sector Investment Committee. So projects will run equally. If Government takes, for example, the value of projects of \$20 million to be looked at, and a decision is taken that this will represent the limit of projects to be carried out in any one given year, if it is a question that there is an urgent need—because it is only the good Lord above who absolutely knows everything—human beings are frail, we try our best, and we try to use good judgement, but oftentimes circumstances will dictate that changes be made. If such be the case, and other projects come to the fore with a greater urgency, then a decision can be made, looking through the list of projects as set out in the Public Sector Investment Programme, and take a decision what is not so urgent and can be sacrificed, or deferred. So we stay within the context of that \$20 million.

Also, first of all, when the Medium-Term Financial Strategy is tabled, when the Public Sector Investment Programme is tabled, we are looking at the initiatives of Government, or the Capital Development Programme over a discrete period of time. We are looking at values, we are looking at projects that would have been identified. But during the course of that, when we come to this House to table the Budget and to debate it, we can always look at the variations and see the reasons for such.

Reverting now to some notes I have made. The number of Heads under Capital Acquisition have been reduced from 23 to 9, and under Capital Development from 34 to 9. There is a very good reason for that. There are certain heads or classifications that are homogeneous, they can blend together—for example, public buildings. We need not say public buildings A, B, C and D. Within the range of the Estimates, all this information can be broken down. So we have commonality in grouping projects. The new format should provide for simplicity and flexibility. However, the level of detail contained in the project description has not changed. All the various categories of expenditure falling under department heads have now been brought together to give a full picture of each head. For example, under Head 10, Legislative, on page 68 of the Budget document, you can now see the total expenditure for that Head. This includes recurrent and statutory expenditure, capital acquisitions and capital development expenditure. Previously you would have had to refer to at least three parts of the old-style budget document for this information. There has been a reduction in the level of detail provided in the departmental plans. We accept that the format of the D-Plans

as presented in the 1998 document should be modified and does not fully support the underlying principles of objective, outcome-oriented budgeting. Accordingly, we will make available to Finance Committee the departmental plans in the format provided in prior years, with the exception of the outline programme section, which really relates to the day-to-day operations of departments.

Mr. Speaker, with your permission I would like to Table these documents. The documents which are being tabled are two, one deals with the Departmental Plans, giving all of the details as I have outlined, and also a detailed Estimates of Revenue and Expenditure for the year ending 31 December, 1998, the same as what has been presented to Honourable Members of this House. But instead of restricting it to items at the Head and Subhead level, we have gone to the item level. So everything is here in full.

The Speaker: So ordered.

Hon. George A. McCarthy: If we were to take an historical perspective of the Budget process, looking back in early 1990 a Budget Review Committee was established to examine the existing annual budget preparation and implementation process and to recommend reform measures to streamline and increase the effectiveness of the process. This exercise resulted in significant reforms including the introduction of annual budget planning sessions in July of each year, formulation and circulation of budget guidelines in August; increased computerisation of the process and the conducting of training workshops and budget interviews with all controlling officers.

These reforms facilitated an increase in information flow and decentralised the responsibility for budget input to controlling officers. The concept of departmental plans was also introduced to provide a basis for departmental budgets. This made the budget document more meaningful since it summarised the performance of Ministries, Portfolios and Departments and showed what would be achieved by each department with the money allocated for the year ahead.

In addition, the concept of a Medium-Term Financial Strategy Public Sector Investment Programme was introduced and an automated debt recording and management system put in place. As changes were made to the budget process over the years, both the format and content of the budget document changed. Instead of simply showing figures, the budget document sought to provide detailed information on operational issues and on-line item expenditure. It is now used more widely than in the past, both for policy discussion at the Legislative Assembly as well as for micro-management at the operational level.

This shift towards providing more information has had its drawbacks however. Whereas in the 1980s the document was just 200 pages, in 1997 it grew to over 500 pages. Not only had the document become quite cumbersome, but the level of detail provided on line item expenditure served to detract somewhat from the policy issues and overall expenditure picture. In fact, the principal reason behind the changes is to enable Members of this Honourable

House to focus more on the overall picture and policy issues. Notwithstanding this, details on expenditure line items will still be available to Members at Finance Committee meeting.

As discussed at the recent reinvention seminar at Government House, we need to concentrate more on the outputs and outcomes from the services provided and less on the detailed cost of inputs. In the future we intend to move toward a budget that is service based as opposed to function based. If that is the wish of this Honourable House. This year we have attempted to move in that direction.

Turning now to Overseas Medical Advances Account. Mention was made that if the balance on the overseas medical advances account were recognised in the 1997 accounts instead of having a brought forward surplus balance of \$.9 million there would be in effect a deficit balance. This is quite correct and has been correctly commented on by the Auditor General in his 1995 Budget and the 1996 Report which is yet to be tabled.

Members will recall that questions were raised as to how the Government intended to address this issue during the Finance Committee debate on the 1997 Budget. At that time it was pointed out that a review would be conducted in order to ascertain what portion of this sum was uncollectable, what portion should be classified as long-term loan and what should be treated as short term. The result of this exercise, when completed, would be brought to the attention of Finance Committee with the appropriate recommendation. I am pleased to say that this exercise is currently underway. However, in the interim I could recommend that the entire amount be written off to expenditure, pending the breakdown into the classifications which are now being finalised. While this would have the effect of immediately complying with the Auditor General's recommendation I would not, at the time of seeking the approval of Finance Committee, be able to state with any degree of accuracy the following information:

- What portion of this balance is uncollectable/unsecured, and what should be written off?
- What portion is collectable over the medium-to-long-term and should be transferred to loans?

This should be handled very carefully. We know that it is a recurring problem, one that has been reported upon. But this is money which has already been spent. It is a question of now bringing it to account; it is a significant asset and should be examined very carefully before bringing to Members information that would be incomplete and unable to inform Members precisely what the status of this account is.

Also during the Finance Committee meeting on the 1997 Budget it was pointed out that the introduction of the National Insurance Scheme would permanently address the problem of having to absorb this expenditure which is quite significant as part of the annual recurrent Budget. It has also been long established that there are quite a number of recipients of this benefit who are in a position to make good on their obligations, but who do not seem to

treat such obligations with any degree of priority. Intensified efforts are now being pursued by the Health Services Accounting Department in an attempt to obtain settlement of the outstanding balances owed by such persons.

On the issue of Duty projection, some questions were raised in the debate as to the validity of the revenue projections, particularly Head 61—Duty. Let me state at the outset that the duty projections for 1998 are not unrealistic. They are in line with the economic realities of the day and must be seen within the context of recent changes in Government policy. Between 1994 and 1996 the annual average rate of growth in import duties was 12.7%. In 1997 duties rose by an estimated 18%, some 5.3% higher than the period's average. This faster growth was mainly due to increases in duties which were announced as part of the revenue enhancement exercise in March of this year.

The higher duties were only applicable to the last nine months of 1997. The 1998 projections are \$105.6 million. This absolute level may appear high, but we must consider that 1998 is the first full year in which the higher duties will apply. In fact, the estimated growth rate of import duties in 1998 is 15.7%. While this is some 3% higher than the period average, it is actually 2.3% lower than in 1997.

There is an additional point which I would like this Honourable House to note: Actually collections under Head 61—Duty, have exceeded all budgeted figures since 1994. Further, based on present trends, actual collections for 1997 are expected to exceed not only the Budgeted figures, but the revised ones.

On the subject of fiscal responsibility, there have been a myriad of concerns surrounding the issue of fiscal responsibility. Several speakers have pointed to the rapid growth in capital expenditure, the rising public debt and the low level of general reserves. I would like to assure Members that all three of these issues have been addressed in the Medium-Term Financial Strategy which will be tabled during this Meeting. The approach in the document is to formulate specific policies in all key areas and to set targets for the attainment of objectives. This will allow monitoring and evaluation of the strategy over the period.

In addition to the Medium-Term Financial Strategy, the Public Sector Investment Programme, the Public Finance and Audit Law and the Financial and Stores Regulations will be tabled at the March 1998 Meeting. All of these documents together will go a long way in ensuring the prudent management of our public finances.

I should mention that at this time we have engaged the services of a consultant from the National Audit Office in the United Kingdom. He has been with us since August of this year. We have been meeting periodically and hoping that he will have the first draft of the document for Executive Council to look at and that prior to the document being brought to this House, there will be a full meeting of Members of the Legislative Assembly.

On the question of First Cayman Bank, let me reiterate that the Government intends to explore all possibilities to assist depositors. The Bill for the Depositor's Scheme will be tabled soon in this Honourable House at which time details will become available.

On the subject of the Monetary Authority, a suggestion was made for the Monetary Authority to be independent in order for it to carry out its regulatory functions more effectively. I would like to inform the House that a review is currently underway. A sub-committee of the Board of Directors has recently been formed to examine current legislation governing the operation of the Authority. This sub-committee is expected to make recommendations to the Government as to its findings and, where necessary, legislative changes are to be made.

On the subject of Pensions and the National Insurance Programme, the National Pensions and National Insurance Laws are due to come into effect in January 1998. I am sure that every Member of this Honourable House will agree that these two pieces of legislation are desirable. Both of these Bills include a strong element of savings in them since a general concept is one of putting aside for a rainy day, a point that many Members have stressed during this and other Budget Debates.

There have been some concerns raised, and justifiably so, on the possible inflationary impact associated with these two Bills. One of the major reasons behind phasing the introduction of the Pensions Law over a five year period was to minimise the initial impact on expenditure of individuals and employers. This will serve to lower the impact felt in any one year.

We have attempted to quantify the impact these two Bills will have on the general cost of living in these islands. Since we do not have quite accurate information on the number of employees and employers already contributing to the Health Insurance and Pension Schemes, our analysis assumes that everyone will start payments in January 1998. The result shows that with regard to pension contribution, the average increase in expenditure of employees is estimated to be 2.1%. For employers it is estimated to be an increase of 1.1% on operating costs. The impact of the Health Insurance was based on quotations from three insurers, estimates of the projected work force and the number of dependants per worker. This impact on expenditure of employees was estimated to range from 1.7% to 3.4%, while the impact on operation cost to employers ranged from .07% to 1.4%. As I mentioned earlier, these estimates assume that everyone starts paying pension and health insurance for the first time in January 1998. Since this is not the case the overall impact is likely to be much smaller and likely to be at least half.

This is not contradicting the information I gave this morning saying that the overall impact is based to be 3.2%. Certain assumptions have been made that there is a significant percentage of employers and employees who are presently contributing to pension schemes and the National Health Insurance program.

On the subject of economic growth: A suggestion was put forward for the Government to slow down the pace of economic growth. It is felt that Cayman is growing too fast and that we should aim for a more modest growth rate, perhaps 3%. The issue of what is an appropriate rate of growth of an economy is a very complex one, one on which there is seldom any consensus. Slow growth also means a reduction in investment opportunities, fewer jobs and de-

cline in the standard of living. But even if we agree that a lower rate of growth is preferable, there is another issue that we need to address: To what extent can we control our rate of growth?

Let me first of all explain that there are different ways in which a Government can influence the level of economic activity. It could, for example, work through the mechanism of monetary policy and raise interest rates. This is a method used most frequently by the Chairman of the United States Federal Reserve, Mr. Alan Greenspan. Higher interest rates make borrowing more expensive, lower investment activities and reduce the rate of output. As you are well aware, Mr. Speaker, the Government of the Cayman Islands cannot directly influence the level of interest rates in these islands in such a manner.

In terms of fiscal policy, the Government does have some leverage here, both on revenue and expenditure sides. In regard to revenue policy, it can increase indirect taxes, fees and charges. This will have the effect of raising prices, reducing consumption and, hence, the rate of economic growth. Revenue enhancement mechanisms, however, are never popular. This was clearly evident earlier this year when attempts to implement revenue enhancement measures met with great resistance.

In regard to expenditure, Government can control economic activity by varying the level of its spending. However, because of the sustained growth in the economy of the Cayman Islands in recent years, it has become necessary for Government to undertake large infrastructural projects, particularly in areas such as health, education and road construction. Balancing needs with available resources is not always an easy task. But I must assure you that Government is aware of the need to prioritise and phase projects so as not to place any undue strain on the finances of these islands.

At this point in time I would like to bring to Members' attention that a question was raised by the Member for North Side as to whether the Government plans to build a new high school in Cayman Brac. Mr. Speaker, this is not the case. If you look at the narrative, it says "High Schools, programme of new developments and renovation projects for high schools in Grand Cayman and Cayman Brac." This is where new facilities are to be added and renovation works carried out—not the building of new high schools.

Turning now to the World Economy: Mention was made of a recent article in *The Economist*, entitled, "Will the world slump?" This article was written against the backdrop of the serious banking and financial crises which are now being experienced in Asia. You will recall that I made reference to this situation in the Budget Address. Since that time, however, the crisis in Asia has deepened and fears abound as to their likely impact. South Korea, a wealthy and prosperous economy, is now seeking a \$20 billion IMF Loan. The Japanese economy is currently under threat due to its failure to sufficiently address its problems in the banking sector.

No one knows for certain what impact these crises will have on the world economy. The article mentioned two different scenarios: one extreme is the possibility of a world-wide slump. This will arise if world supply outstrips world

demand and the overall price level drops resulting in world-wide deflation. At the other end is a minimal impact on the world economy, a lowering of growth by .02 percentage points in America and Europe.

Let me point out that we should not just be concerned with evaluating whether one scenario will prevail over the other. World deflation is a rather rare phenomenon. The only time in history when this occurred was during the Middle Ages and the Great Depression of the 1930s. Even so, this was for intermittent periods. The message that is really important for us is contained in the last two sentences, and I quote: "**World-wide deflation is an entirely avoidable disaster. But only governments will decide whether it is avoided.**"

In a world undergoing rapid change and where there is closer integration of economies, governments have to act responsibly. We must remember that investor confidence is fragile and can be easily destroyed, and that capital is mobile. But today it is not just national governments that have a vested interest in maintaining economic stability. The global community as a whole is mindful of the dire consequences of economic failures. Leaders at the APEC Summit have endorsed a plan for an IMF Package to assist the Asian countries. Let us hope that these efforts will help to avert disaster on that continent as was the case a few years ago in Mexico. The present crisis acts as a reminder to us that the future is not guaranteed, and that we must not be complacent; we need to formulate proper policies, manage our economy and plan well for our future.

Turning now to the subject of Strategic Vision: Since we are on the subject of the future, I would like to comment briefly on a concern expressed that Cayman lacks a vision for the future. I would like to inform Members that this very important issue is being addressed at the highest level. His Excellency the Governor will soon be launching an initiative on Strategic Vision for the Cayman Islands. This exercise will consider all of the various economic, social and environmental issues which now confront our islands. It will seek to outline a set of clearly stated national goals and priorities for the next ten years. In mapping out this vision the results of existing sectorial and other plans will be considered. But, more importantly, every person will get a chance to make an input into this exercise whether he is in the public or the private sector, a member of a non-governmental organisation or whether he lives on Grand Cayman, Cayman Brac and Little Cayman.

The ultimate aim is to have a hierarchy of plans to guide our future. This Strategic Vision will sit at the very top and this important document will inform all of our other planning initiatives, that is, the Medium-Term Financial Strategy, the Public Sector Investment Programme, our Sectorial Plans and Departmental Plans. In the future, when we meet to discuss our Budget Document, it would be within the context of a set of well defined national goals and priorities. We should then be able to benefit from the synergy connected in all of these various initiatives.

One final point, Mr. Speaker. The Member for North Side said that everyone that has gotten to a certain age believes that he or she is entitled to a pension from the

Government. That is not correct. The basis for which the sum of \$200 is being paid out (and the sum varies upward) is. . . Mr. Speaker, that information, as I mentioned earlier is not correct. I would just like to state that for the record.

I think I have covered all of the major points that have been raised. At this point, I crave your indulgence, Mr. Speaker, to extend on behalf of yourself, Honourable Members of this House, the Civil Service and, in particular, the Portfolio of Finance and Development, condolences to the family of the late Mrs. Veronica Dilbert. She retired from the Civil Service as Assistant Financial Secretary, a position she held for many years. Prior to that she was a Budget Officer within the Portfolio of Finance and Development. She will be sadly missed. She is another one of the ladies who was a trail blazer for the women of the Cayman Islands.

Mr. Speaker, I thank you for allowing me to respond to the comments that were raised on the Budget. I would like to join in giving thanks to Almighty God for the blessings he has been pouring out upon us as a community. As mentioned during the Budget Debate, we have come a long way, but we have a long way yet to go. There is a favourite quote that the First Elected Member for West Bay uses, I cannot say the source of it, but he always says, "The woods are lonely, dark and deep; and I have promises to keep, and miles to go before I sleep."

Every member of the Cayman Islands community is very much committed to preserving the good life that God has blessed us with. Whether we are here by birth, or residing here, even temporarily, it has been a haven for many people. We enjoy certain privileges and freedoms here that we often times take for granted. There are many things that need to be corrected in order to keep the good ship Cayman Islands afloat.

I feel heartened, even with the criticisms that have been directed by the *Caymanian Compass* in terms of putting forward certain suggestions. I view everyone as a member of the crew on board, trying to make sure that whatever needs to be done should be done in order for us to maintain our vision and in order for us to keep the Cayman Islands afloat and take it into the future.

As leaders of the country and Members of the Legislative Assembly, we have all been entrusted by God with certain responsibilities to the community of the Cayman Islands. It is one that we are going to be accountable to Him for. We are to be good stewards of our time and we have seen that we need not be experts in every area. We have seen in the Bible where our good Lord Christ Jesus used a parable wherein he mentioned that one was given five talents, another one three or two, another just one. What is important is that we use the abilities and use the initiatives, use the gifts God has given us in serving our fellow man.

The Speaker: The question before the Honourable House is that the Appropriation (1998) Bill, 1997, be given a Second Reading. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it

AGREED: THE APPROPRIATION (1998) BILL, 1997 GIVEN A SECOND READING.

The Speaker: The Appropriation (1998) Bill, 1997, together with the Estimates now stands referred to the Finance Committee. There is no other business before the House, I will now entertain a motion for the adjournment of this Honourable House.

The Honourable Minister for Education, Aviation and Planning.

ADJOURNMENT

Hon. Truman M. Bodden: Mr. Speaker, I move the adjournment of this Honourable House until the Finance Committee has completed its sittings and is ready to report back to this Honourable House.

The Speaker: The question is that this House do now adjourn until the Finance Committee has completed its sittings and is ready to report back to this Honourable House. Those in favour, please say Aye. . . . Those against, No.

AYES.

The Speaker: The Ayes have it. It is my understanding that Finance Committee will be meeting at 9.00 AM tomorrow, 28th November, 1997.

AT 5.20 PM THE HOUSE STOOD ADJOURNED UNTIL THE STANDING FINANCE COMMITTEE COMPLETES ITS EXAMINATION OF THE APPROPRIATION (1998) BILL, 1997.

**EDITED
WEDNESDAY
10TH DECEMBER, 1997
3.06 PM**

The 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed.

APOLOGIES

The Speaker: We have apologies from the First and Second Official Members. The Honourable Minister for Health is off the Island on official business. The Second Elected Member for Bodden Town is not well, and she is absent; and the Fourth Elected Member for West Bay is also ill.

Statement by Minister/Member of the Government. The Honourable Minister for Education, Aviation and Planning.

STATEMENT BY MINISTER/MEMBER OF THE GOVERNMENT

Hon. Truman M. Bodden: Thank you, Mr. Speaker. Just to mention the procedure and what Honourable Members now see on the Order Paper. We had a meeting of the Business Committee over the lunch period during the adjournment. Under the Standing Orders there has to be a report to the House from the Finance Committee, which, as Honourable Members will see, is first a report on the Appropriation Bill. The other matter is that the Supplementaries were not yet fully completed to be laid on the Table in accordance with Standing Order 67, after which it reverts into Finance Committee. To get on with the business of the House, Sir, the Business Committee has therefore put the balance of the Bills and business, with the exception of the tabling of certain Reports which will be done at the end (there are about four or five Reports that need to be tabled then, Sir).

The Speaker: Government Business, Bills, Report on Bills.

GOVERNMENT BUSINESS

BILLS

REPORT ON BILL

THE APPROPRIATION (1998) BILL, 1997

The Clerk: The Appropriation (1998) Bill, 1997.

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Thank you, Mr. Speaker.

1. REFERENCE: in accordance with the provision of Standing Order 63(3) of the Legislative Assembly Standing Orders (1997 Revision), the Appropriation (1998) Bill, 1997, together with the draft Estimates of Revenue and Expenditure of the Cayman Islands Government for the year ending 31st December, 1998, stood committed and referred to the Standing Finance Committee following the Second Reading of the Bill on Thursday, 27 November, 1997.

2. NOTICE OF COMMITTEE STAGE AMENDMENTS TO THE APPROPRIATION BILL, 1997: Four notices of Committee stage amendments to the Appropriation (1998) Bill 1997 were circulated to Members on the 14th of November, and on the 3rd, 4th and 8th December,

1997, respectively, which in most instances were as the result of reassignment of responsibilities by His Excellency the Governor.

3. MEETINGS: The Committee sat for seven days: The Committee sat for seven days viz:-

- (i) Friday, 28th November, 1997;
- (ii) Monday, 1st December, 1997;
- (iii) Wednesday, 3rd November, 1997;
- (iv) Thursday, 4th December, 1997;
- (v) Friday, 5th December, 1997
- (vi) Monday, 8th December, 1997; and
- (vii) Wednesday, 10th December, 1997

4. ATTENDANCE OF MEMBERS: In accordance with the provisions of Standing Order 75 (1997 Revision) the composition of the Standing Finance Committee consists of the Financial Secretary as Chairman and all the Elected Members. Those present were:

Hon George A McCarthy, OBE., JP, Financial Secretary (Chairman)
 Hon Thomas C Jefferson, OBE, JP
 Hon Mrs. Julianna Y O'Connor-Connolly
 Hon Anthony S Eden, JP
 Hon Truman M Bodden, OBE, JP
 Hon John B McLean, OBE, JP
 Mr. W McKeeva Bush, OBE, JP
 Mr. John D Jefferson, Jr
 Mr. Linford A Pierson, JP
 Mr. D Kurt Tibbetts
 Dr. Frank S McField
 Hon Mabry S Kirkconnell, MBE, JP, Speaker
 Miss Heather D Bodden
 Mr. Roy Bodden
 Mrs. Edna M Moyle, JP, Deputy Speaker

Absent with Apology for first Sitting were:

Mr. D Dalmain Ebanks
 Mr. Linford A Pierson, JP
 Mr. John D Jefferson, Jr

Absent with Apology for second Sitting were:

Mr. John D Jefferson, Jr.
 Mr. D Dalmain Ebanks
 Mrs. Edna M Moyle, JP, Deputy Speaker

Absent with Apology for third Sitting were:

Hon John B McLean, OBE., JP
 Hon Thomas C Jefferson, OBE., JP
 Mr. D Dalmain Ebanks
 Mrs. Edna M Moyle, JP, Deputy Speaker

Absent with Apology for fourth Sitting were:

Mr. D Dalmain Ebanks
 Mrs. Edna M Moyle, JP, Deputy Speaker

Absent with Apology for fifth Sitting were:

Hon Thomas C Jefferson, OBE., JP
 Mr. D Dalmain Ebanks

Absent with Apology for sixth Sitting was:

Mr. D Dalmain Ebanks

Absent with Apology for seventh Sitting were:

Hon Anthony S Eden, JP
 Mr. D Dalmain Ebanks.

5. PERSONS IN ATTENDANCE AND WITNESSES:

Mr. Joel Walton, Deputy Financial Secretary, Mr. Peter Gough, Director of Budget and Management Unit, Mrs. Dalphine Terry, Deputy Director of Budget and Management Unit, and Mr. Michael Nixon, Administrative Officer II, Finance Department, attended all meetings of the Committee.

Senior Civil Servants (that is, the Chief Secretary, Permanent Secretaries and Heads of Departments) were summoned, with the permission of the Speaker, to witness before the Committee. In some instances there were supporting staff also in attendance to assist the Officers.

6. CLAUSES 1 AND 2 OF THE APPROPRIATION

(1998) BILL, 1997: In accordance with the provisions of Standing Order 64(1), Clauses 1 and 2 of the Bill stood postponed until the conclusion of the consideration of the Schedule.

7. CONSIDERATION OF THE SCHEDULE OF THE APPROPRIATION BILL, 1997: During the course of the Committee's proceedings, the following approvals were granted:

(1) Head 01 - His Excellency the Governor
 APPROVED: CI\$500,803.00.

(2) Head 02 - Cayman Islands Audit Office
 APPROVED: CI\$585,017.00.

(3) Head 03 - Judicial
 APPROVED: CI\$2,906,834.00.

PORTFOLIO OF INTERNAL AND EXTERNAL AFFAIRS

(4) Head 04 - Portfolio of Internal and External Affairs
 APPROVED: CI\$2,405,071.00.

(5) Head 05 - Immigration
 APPROVED: CI\$3,279,512.00.

(6) Head 06 - Police
 APPROVED: CI\$10,997,239.00.

(7) Head 07 - Prison
 APPROVED: CI\$4,594,750.00.

(8) Head 08 - Personnel
 APPROVED: CI\$2,455,294.00

(9) Head 09 Cayman Brac and Little Cayman administration
 APPROVED: CI\$4,218,030.00

(10) Head 10 - Legislative
 APPROVED: CI\$1,717,775.00.

(11) Head 11 - Broadcasting

APPROVED: CI\$892,028.00.
 (12) Head 39 - Computer Services
 APPROVED: CI\$2,595,586.00.

PORTFOLIO OF LEGAL AFFAIRS

(13) Head 12 - Legal Affairs
 APPROVED: CI\$2,401,864.00.

PORTFOLIO OF FINANCE AND ECONOMIC DEVELOPMENT

(14) Head 13 - Portfolio of Finance and Economic Development
 APPROVED: CI\$17,032,208.00.

(15) Head 15 - Customs
 APPROVED: CI\$3,869,467.00.

(16) Head 16 - General Registry and Shipping
 APPROVED: CI\$1,965,113.00.

(17) Head 17 - Economics and Statistics Office
 APPROVED: CI\$613,523.00.

(18) Head 18 - Treasury
 APPROVED: CI\$ 1,260,140.00

MINISTRY OF TOURISM, COMMERCE AND TRANSPORT

(19) Head 19 - Ministry of Tourism, Commerce and Transport
 APPROVED: CI\$2,578,939.00.

(20) Head 20 - FIRE
 APPROVED: CI\$4,922,070.00.

(21) Head 21 - TOURISM
 APPROVED: CI\$21,325,744.00

MINISTRY OF COMMUNITY AFFAIRS, SPORTS, WOMEN, YOUTH AND CULTURE

(22) Head 22: Ministry of Health, Community Affairs, Sports, Women, Youth and Culture
 APPROVED: CI\$7,162,525.00

(23) Head 23 Social Services
 APPROVED: CI\$10,263,114.00

(24) Head 24 - Human Resources
 APPROVED: CI\$455,613.00.

MINISTRY OF HEALTH, SOCIAL WELFARE, DRUG ABUSE PREVENTION AND REHABILITATION

25) Head 25 - Ministry of Health, Social Welfare, Drug Abuse Prevention and Rehabilitation
 APPROVED: CI\$1,725,507.00.

(26) Head 26 - Health Services
 APPROVED: CI\$27,371,558.00.

MINISTRY OF AGRICULTURE, ENVIRONMENT, COMMUNICATIONS AND WORKS

(27) Head 27 - Ministry of Agriculture, Environment, Communications & Works
 APPROVED: CI\$1,933,909.00.

(28) Head 28 - Agriculture
 APPROVED: CI\$2,114,599.00.

(29) Head 29 - Environment
 APPROVED: CI\$1,155,089.00.

(30) Head 30 - Environmental Health
 APPROVED: CI\$5,573,087.00.

(31) Head 31 - Mosquito Research and Control Unit
 APPROVED: CI\$2,222,289.00.

(32) Head 32 - Lands and Survey
 APPROVED: CI\$4,981,355.00

(33) Head 33 - Postal
 APPROVED: CI\$2,377,945.00.

(34) Head 34 - Public Works Department
 APPROVED: CI\$7,782,794.00.

(35) Head 35 - Department of Vehicle And Equipment Services
 APPROVED: CI\$1,185,539.00.

MINISTRY OF EDUCATION, AVIATION AND PLANNING

(36) Head 36 - Ministry of Education, Aviation and Planning
 APPROVED: CI\$9,593,585.00.

(37) Head 37 - Planning
 APPROVED: CI\$1,666,492.00.

(38) Head 38 - Education
 APPROVED: CI\$23,811,874.00.

CONTRIBUTIONS

(39) Head 13 - Finance and Economic Development:
 APPROVED: CI\$1,230,000.00.

NEW SERVICES

APPROVED: CI\$2,403,289.00.

CAPITAL

(40) Head 44 - Capital Acquisitions
 APPROVED: CI\$8,573,771.00.

(41) Head 54 - Capital Development
 APPROVED: CI\$27,704,692.00.

TOTAL APPROVED: CI\$244,405,633.00 (TWO HUNDRED FORTY-FOUR MILLION, FOUR HUNDRED FIVE THOUSAND, SIX HUNDRED THIRTY-THREE CAYMAN ISLANDS DOLLARS.

8. CONSIDERATION OF CLAUSES OF THE BILL: In accordance with the provisions of Standing Order 64(5)

Clauses 1 and 2, the Schedule as amended and the Title of the Appropriation (1998) Bill, 1997, were passed.

The Committee agreed that the Bill, as amended, be reported to the House in accordance with Standing Order 64(7). Thank you, Mr. Speaker.

The Speaker: The Bill is accordingly set down for Third Reading.

Bills, Third Reading.

THIRD READING

THE APPROPRIATION (1998) BILL, 1997

The Clerk: The Appropriation (1998) Bill, 1997.

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I beg to move that a Bill entitled, The Appropriation (1998) Bill, 1997, be given a Third Reading and passed.

The Speaker: The question is that a Bill entitled, The Appropriation (1998) Bill, 1997, be given a Third Reading and passed. I shall put the question. Those in favour, please say Aye. Those against, No.

AYES and NOES.

The Speaker: The Ayes have it.

Mr. Roy Bodden: Mr. Speaker, may we have a division please?

The Speaker: You certainly may. Madam Clerk, please call the division.

Clerk:

Division No. 20/97

(Third Reading—Appropriation (1998) Bill, 1997)

Ayes: 6

Hon George A. McCarthy
Hon Thomas C. Jefferson
Hon John B. McLean
Hon Truman M. Bodden
Mr. W. McKeeva Bush
Mr. John D. Jefferson Jr.

Noes: 4

Mr. Kurt Tibbetts
Mr. L. Pierson
Dr. Frank McField
Mr. Roy Bodden

Absent: 7

Hon James M. Ryan
Hon Richard H. Coles
Hon Julianna O'Connor-Connolly
Hon Anthony Eden
Mr. D. Dalmain Ebanks
Miss Heather Bodden
Mrs. Edna M. Moyle

The Speaker: The result of the division is six Ayes, four Noes, seven absent. The Bill has accordingly been given a Third Reading and passed.

AGREED BY MAJORITY: THE APPROPRIATION (1998) BILL, 1997, GIVEN A THIRD READING AND PASSED.

The Speaker: Bills, First Readings.

BILLS

FIRST READINGS

THE LOAN (CAPITAL PROJECTS 1998) BILL, 1997.

The Clerk: The Loan (Capital Projects 1998) Bill, 1997.

The Speaker: The Bill has accordingly been given a First Reading and is set down for Second Reading.

THE MERCHANT SHIPPING BILL, 1997.

The Clerk: The Merchant Shipping Bill, 1997.

The Speaker: The Bill has accordingly been given a First Reading and is set down for Second Reading.

I will now entertain a Motion for the suspension of Standing Order 46.

SUSPENSION OF STANDING ORDER 46

Hon. Truman M. Bodden: Mr. Speaker, I move the suspension of Standing Order 46 to permit the Development and Planning (Amendment) (Developments Advisory Board) Bill, 1997; The Companies (Amendment) (Protection of Depositors) Bill, 1997; The Insurance (Amendment)(Liabilities Support) Bill, 1997; and The National Pensions (Suspension) Bill, 1997, to be given a Second Reading.

The Speaker: The question is that Standing Order 46 be suspended in order that items 5, 6, 7 and 8 on the Order Paper may be taken today. Those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it.

AGREED. STANDING ORDER 46 SUSPENDED TO ENABLE THE BILLS NUMBERED (5) THROUGH (8) TO BE TAKEN.

The Speaker: First Readings continuing.

THE DEVELOPMENT AND PLANNING (AMENDMENT) (DEVELOPMENTS ADVISORY BOARD) 1997

The Clerk: The Development and Planning (Amendment) (Developments Advisory Board) 1997.

The Speaker: The Bill has been given a First Reading and is accordingly set down for Second Reading.
Bills, First Reading.

THE COMPANIES (AMENDMENT) (PROTECTION OF DEPOSITORS) BILL, 1997

The Clerk: The Companies (Amendment) (Protection of Depositors) Bill, 1997.

The Speaker: The Bill has been given a First Reading and is set down for Second Reading.
Bills, First Reading.

THE INSURANCE (AMENDMENT) (LIABILITIES SUPPORT) BILL, 1997

The Clerk: The Insurance (Amendment)(Liabilities Support) Bill, 1997.

The Speaker: The Bill has accordingly been given a First Reading and is set down for Second Reading.
Bills, First Reading.

THE NATIONAL PENSIONS (SUSPENSION) BILL, 1997

The Clerk: The National Pensions (Suspension) Bill, 1997.

The Speaker: The Bill has accordingly been given a First Reading and is set down for Second Reading.
Bills, Second Readings.

SECOND READING

THE LOAN (CAPITAL PROJECTS 1998) BILL, 1997.

The Clerk: The Loan (Capital Projects 1998) Bill, 1997.

The Speaker: The Honourable Third Official Member.

Hon. George A. McCarthy: Mr. Speaker, I beg to move the Second Reading of a Bill entitled, The Loan (Capital Projects 1998) Bill, 1997. As set out in the Memorandum of Objects and Reasons, this Bill will provide authority for the Governor-in-Council to borrow up to \$19,500,000 to pay for capital projects specified in the Schedule. Any amounts borrowed and the expenses incurred by the Government would be charged on the revenue and assets of the Island.

As explained during the winding-up on the Budget debate, this will be made to form part of the Capital Development Fund balance, as shown in Table 2A1 of the Estimates, and will form part of the sum of \$27,704,692 as approved under Head 54 of the Estimates. The

Schedule of projects to be financed, which forms part of the Capital Development Fund, can be found on page 178 of the Estimates, and a further breakdown of the sum can be found on pages 256 to 280 of the Estimates.

I am giving this overview because we have just come out of Finance Committee where details of all of the capital projects falling under Head 54 were gone into thoroughly, and Members are quite aware of the various projects set out in the document. However, Mr. Speaker, if you will permit, I will go over the classification of the various items (the subheads) falling under Head 54 again:

"54 101 Public Buildings	\$12,272,682
Roads	655,000
Recreational and Cultural Facilities	4,765,500
Cemeteries	286,800
Harbours and Docks	715,000
Purchase of Lands	560,000
Landfill Development	285,000
Health Care Facilities	4,924,080
Agricultural Development	240,630"

Mr. Speaker, as explained during the winding-up on the Budget debate, rather than being allocated against specific projects a decision has been taken that this sum of \$19,500,000 will be injected directly into that Fund since the Capital Development Fund has been put in place. It was also explained that in previous years what used to happen. . . for example, we have capital development projects to the value of \$27 million-plus to be financed. Let us say, for example, that \$5 million was coming out of recurrent revenue with the remaining \$22 million coming out of loans. Depending on the nature of expenditure that took place against the various projects, we could have those projects financed by loan funds, fully completed, and the borrowings exhausted, and there were cases where projects identified to be funded by local revenue were not fully completed. As a result of that, savings would revert to the surplus account of Government.

Putting in place the Capital Development Fund forms part of the innovative process currently in train in terms of reforming the Government's financial system. This means that any allocation from General Revenue will have to be used up first before any draw-downs can take place against borrowing. So at the end of the year the Surplus and Deficit Account balance may not be as robust as it used to be in previous years. But this will also introduce a certain level of management to the public debt, because it will mean that only expenditure exceeding the amount allocated to be funded by local revenue, to the extent that there is a difference between that and the amount spent on capital development, will reflect the amount to be drawn down against loan financing.

So this innovation has been put in place with a view to streamlining the Government's accounting system, and at the same time managing the Public Debt Programme. Most importantly, putting in place a Capital Development Fund will ensure, on an annual basis, that a certain allocation from local revenue or general revenue will be

made into that fund. So, at the end of the day, the Government will be much further ahead and this will keep the public debt balance in check.

This is taking it as close as possible to what we have been reputed to be advocating, that is, the balanced budget concept. At the end of any given year the amount of local revenue together with draw-downs against loans should equal, as closely as possible, the amount of expenditure that would have taken place between recurrent statutory and capital acquisitions and capital development.

Mr. Speaker, I submit this Bill for Members' consideration.

The Speaker: The question is that a Bill entitled, The Loan (Capital Projects 1998) Bill, 1997, be given a Second Reading. It is now open to debate.

The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker. I know that we are into the Yuletide season, but it is difficult to be charitable under these circumstances. While I do not profess to be Scrooge, from that famous Charles Dickens story *A Christmas Carol*, on this occasion I have to be a little stingy. It is good to have a knowledge of history. When things were going well, and people behaved recklessly and pounded me and other persons up. . . it is good to be in the position now to return some of that with interest.

Mr. Speaker, I am surprised to have to stand up here this afternoon and hear that the National Team proposes to borrow \$19.5 million in order to effect the work of the 1998 Budget. When circumstances were different a few years ago, they chided, going from constituency to constituency, district to district, and island to island, and destroyed that entity they like to call 'the previous Government.' I am going to be graphic and read back to them this afternoon—because I have been studying this all these years, some pieces I know by heart!—what they said on several of those occasions.

The Leader of Government Business and of the National Team is the author and creator of the strategy which they claim brought them success. Reading from the *Hansard* of 10th November, 1994, I would like to remind that Honourable Minister of some of the statements he made. On page 13, the Honourable Minister said, "**We have taken this country from a stage of economic depression, from a stage of economic recession, back into an economic boom. With this Budget the country is now poised to go into very good financial times. This is what the people of this country want to see. They want to see a Government that manages and lives within its means.**" Oh, Mr. Speaker, would that that Government were in place now.

He went on, "**The means are the means of the people and when it is squandered and wasted then it is the people who suffer as a result. The containment of expenditure is an important aspect. . . .**" Mr. Speaker, I want to read this part again, "**The containment of expenditure is an important aspect. Indeed, it**

is more important, perhaps, than increasing the revenue. In these areas we have been very successful in so doing." May I add in soliloquy that he has lost the formula of that success and is doomed not to find it again.

"What has contributed to that success has been the ability and, more importantly, the discipline in the Legislature itself—the National Team seeing that the country's finances are properly run. It is well known that where a country borrows, and borrows, and borrows. . . and, Madam Speaker, we have about \$140 million of debt that we are just now beginning to repay that this Government did not borrow."

I wonder how much debt we are going to have which this Government borrowed and the next Government will have to repay? The Honourable Minister said that when the country borrows, and borrows, and borrows. . . they are up to that level now—they borrowed last year, they borrowed the year before, they are borrowing this year, and I predict that they are going to have to borrow next year.

He continued, "**Because of the inability and lack of living within one's means and the squandering of the public's money, we now have these massive loans.**" I wonder if that Honourable Minister can tell us the reason why we now have these massive loans. Do you know what the reason is, Mr. Speaker? Bad management—no plan, no vision, no purpose, no consultation. This is not all, because what is not included in this is what is going to be needed to be done to set Cayman Airways right—which is going to be about another \$19 million or \$20 million. Where is it going to end?

I had an elderly school mistress. When things went radically wrong, she was fond of saying, "My, my, my, my. This would not even make sense in the creation of crabs." Mr. Speaker, this policy, this course we have embarked upon would not even make sense in the creation of crabs. We have an acknowledged economic boom. We have been borrowing ever since—borrowing ourselves into oblivion.

I want to quote that Honourable Minister again, because he is famous for these kinds of things. On page 12 of the same *Hansard*, he said, "**What is important is simply this: It is the equivalent of a person receiving a certain amount of income and having a surplus left. In other words, spending much less than what they are making so that they have money to set aside to use for capital purchases, such as to buy a house or office, or that sort of thing. It is very different from what we saw in the immediate past where all of the capital expenditure in the country was borrowed. In other words, we are living within our means. This is something that did not happen under the previous two Governments.**" Mr. Speaker, you can shoot this one down too, it did not happen under them either.

So we have a situation where the preacher has not practised what he has been preaching. As a result, the country has gone astray. It has departed from the path it should have been on. The general reserves are not that

much better off, we are increasing in debt. Mr. Speaker, I want to remind the Honourable House that a year or two ago the Dominion Bond Rating Service said we were entering the debt spiral. That Minister, who said he had a grip on things, is leading us head-long into that debt spiral.

It is one thing to come in here and try to one-up people and put them down, reminding them of their pedigree and telling them they are defunct. But it is another thing to demonstrate proper management. Here is as good a time to say this as there ever will be: I have found out (even more so on this occasion) that the ability to run this country is as much, or greater, on this side in this corner, than it is anywhere else in this Honourable House. There is one thing that can be said for the people who inhabit this corner: They have not had their chance.

I contend that the Honourable Member here who had a chance did a good job. At least something was left for the National Team to work with. I am not so sure the same will be said when they leave office. In all fairness, I cannot really dump it all on the Leader of Government Business, although the leader must understand that he has to bear the brunt of the responsibility. The Honourable Minister for Tourism had his share too. I am going to read what he said. He said, "Things were so bad. . ." and I am quoting now from the *Hansard* of Thursday, 17th November, 1994, page 11, he said, "**Things were so bad that when the last Government tried to borrow \$20 million. . .**"

Hon. Truman M. Bodden: Mr. Speaker, on a point of order.

POINT OF ORDER
(Relevance)

The Speaker: May I hear your point of order, please?

Hon. Truman M. Bodden: The Honourable Member has been speaking throughout on the 1994 Budget. What is before this House now is a Loan Bill. While there can be some reference, I submit that he has gone on for a very long period and has really said nothing on the Loan Bill.

The Speaker: I understand that. I will ask the Third Elected Member for Bodden Town to not to dwell too long, but I really do not think that is a point of order. Please continue, Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker.

I am confident the Chair realises that this position we are in now cannot be taken out of context. This is relevant, because what I am trying to do is give a history of the financial situation of the country up to this point. I cannot just pluck the position out of a hat because the position we are in did not just happen now. This Loan Bill that we are debating did not just appear out of the blue. Everything has a history.

The point I am making is that the reason they have to borrow money at this point is as much a result of their bad management as the position they claimed was a result of the bad management of the Government from whom they inherited the halls of power. I was reading that the Honourable Minister for Tourism was saying that the situation was so bad that the Government of the day could not borrow \$20 million—the \$20 million he was confused about earlier because he said it was drawn down in 1992. That is what the Leader of Government Business said, when in fact it was not drawn down until 1993.

The point I must reinforce, Sir, is that the National Team cannot get away from the fact that the reason they have to borrow this money now is that they have mismanaged the financial affairs of the country. That is crystal clear! It becomes even more glaring when one considers that they have had the luxury of an economic boom in the five years they have been in the Government.

Let us analyse the situation. What have we got to show for their five years of stewardship? Of course, we have capital projects on line, but we also have an increased national debt through borrowings. Where are we headed? There are those of us who believe that were we not borrowing, and had we not borrowed last year, last year's Budget would not have been balanced and this year's Budget would not have been balanced. So there is no other explanation for the position they have put us in up to this point except deficit budgeting. This is why we could not find it in our hearts to support the Appropriations Bill, and, certainly, I am not supporting this Loan Bill.

Now the people who claim they are geniuses, the people who claim they inherited the mantle, or won the right to lead the country because they had a better record of financial stewardship and management, have failed dismally. They have failed miserably. I wonder what they are going to tell the public who so faithfully believed what they were told (that some of us were unemployed and unemployable, that we were not qualified to be leaders). . . Mr. Speaker, do you know what I am realising? Leadership is sometimes inherited, sometimes it is thrust upon people; but, on at least one occasion, some people are going to inherit it by default. Do you know why, Sir? Because all those other self-professed geniuses will have failed miserably and then the slogan is going to be: '*We Have Tried Those Who Claimed They Were Best, Now Let's Try The Rest!*'

The writing is on the wall. It is a time of vision and visionaries. They do not have the vision and they are not the visionaries. Believe you me, Mr. Speaker, the year 2000, the new millennium, the 21st Century, is going to usher into this country a new breed of political animal, a new leader—one who believes in transparency, in fiscal responsibility and in the consultative process. Check the happenings in the House of the recent past and hear from which representatives and from which corner these principles were being echoed.

This Loan Bill can be like what Gottel Rothschild told the people of Europe when the storm clouds were gathering and her sons were the richest people in Europe. She said, "There will be no war because my sons will not finance it." The Government can get the Bill passed, but the blood of my countrymen will not be on my hands. I refuse to saddle them with debt. It will not get the support of the Third Elected Member for Bodden Town.

Mr. Speaker, I have incurred the wrath of Ministers and the National Team before and survived. I say No! One million times, No!

The Speaker: The First Elected Member for West Bay.

Mr. W. McKeeva Bush : It must be the business of any legislator to be concerned about the borrowings in our country. I had hoped that I would not have seen any proposals to borrow funds to further increase our public debt.

The test of borrowing is the ability to repay. Certainly we are getting close to the position which we said we must not go beyond—the 10% position. I had hoped that in trying to revamp the Budget process we would also have revamped our priorities on this matter.

On the position of the Budget and the resulting borrowings, I feel that we must prioritise. When we look at what we propose to borrow for we should ask ourselves whether in fact we should be borrowing for those things. We must come to some realisation that if we do not have the money, Members of the House should be prepared to prioritise in their constituencies in order not to have to borrow \$20 million.

Again, I come back to the position of the country. The country is receiving a lot of revenue. We find that after recurrent expenditure we have \$14 million. Out of that \$14 million we are only saving \$1.23 million (\$1,230,000 I guess that is) for the reserves—funds for a rainy day. We are making a sizeable statutory contribution to the Public Service Pension Fund which was an undertaking given here several years ago. That needs to be brought up to date and I am happy to support it. I supported it before and I support it again at this time.

The Budget for our country with so many needs, so many people having input, is not easy. But there are projects—and this is what the Bill is for, projects—that I would think we should stand and say we are going to spend this amount at this time, and that is what we will budget. If we need the schools to be brought into a condition where everybody is happy, maintenance takes a lot of money. Additional buildings take a lot of money. If we want to get the schools up to par, then we should say we are going to budget for this year and get it completed. Then next year, or later on in the year, if revenue does better than we expect, we do some other things.

I must come back to the point where the West Bay Primary School hall is not yet built. When I, as a representative, consider what the district of West Bay needs and the projects planned. . . for instance, we have the Civic Centre, the Library, the new School and the John A. Cumber Primary School hall. These have been in various

budgets from the time I first sat on Executive Council—and we still do not have them five years hence.

I believe, even with the need for those projects, we still must prioritise. I believe that our children's' education must come first. When I look at my constituency I would say that the school and the hall are priorities at this time. Looking nationally, I note that George Town has its needs. The Red Bay School has its needs. There is a handicapped school which the Minister has been trying to get, and we need it. But, simply looking at it, there are not enough funds to do the work that the Minister has been called upon to do. We do not have the funds.

We have been put in a bad position because what we have done is gone through the Budget and we have all sat down and said we need this and that on each page—we want channels, we want cemeteries, we want everything that we took six or seven days to go through. Now, we all feel bad because we have to borrow for those projects because only some \$4 million out of the revenue is going to capital expenditure. So we are short \$19 million. All legislators in this House have been put in the position. . . we sat down for days, asking for this, that, and the next thing, and now if you want it you have to borrow. I saw this coming miles away.

I recall (and I am speaking here without any notes) in 1996 my Ministry did some \$300,000 worth of capital works. I felt in March that we should have carried on with what we had planned and not started other projects. But we fell into the trap and started other things. Now we come to the 1998 Budget and we are in that same position again. I know the situation that Ministers are caught in because they sit down, they look at the Budget and everybody wants their share. We must prioritise. The handicap school is seriously needed. Many times throughout the past couple of days the situation with the hospital has come to light. These are considerations that Government must deal with.

I did not prepare a lot of notes because I specifically do not want to carry on a long debate on this Bill. But, suffice it to say that I am alarmed, after having the kind of capital development we had scheduled for this year, that we could not get some of it done and we are having to borrow again. While I wish my colleagues on the Government bench well, I cannot tell them that I am happy with the situation.

Before I sit down I am going to say that we have to pay particular attention to the schools in the country. That is a must. No longer can we put it off, in my district in particular. I repeat that: Items have been in the Budget for several years with nothing done. It is because money is shared up, and shared up. But at some point we have to prioritise.

Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? *(Pause)* The Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture.

Hon. Julianna O'Connor-Connolly: Standing to make my contribution to the Loans (Capital Projects 1998) Bill

1997, is somewhat of a novel and strange position to be in, being a new Minister. But, having said that, I am fully cognisant that the money to carry out the numerous capital projects has to come from somewhere. It was made quite clear that after the deduction of the recurrent expenditure and other contributions, statutory and otherwise, there is some \$4 million which can be allocated to the capital projects. Although there is a cry that the sum is a large amount (and I am not standing here to dispute that), to say that we are to prioritise each thing, with each Member still not wanting to give way and offer a positive alternative in this regard brings us back to square one, which my friend, the Third Elected Member for George Town, has been recorded as calling 'parochial politics'. I agree there is a time and place for that, but at the same time I believe that we cannot choose to blow hot and cold. Yes, we must set our priorities, and I believe that we must be able to sieve the needs and wants of our constituents, not only districts but on a national perspective as well. We see projects for Education which I believe must be of paramount consideration. We are now in a very competitive era and if we are going to 'Caymanian-ise' the various occupations, as we all like to stand up and say we support, we must provide the necessary educational institutions and facilities so that our children will be in a better position to compete.

There is also a large amount in for hospitals, a commitment we have all conceptually agreed is well needed. It has been started, and I believe that we have a legal obligation to complete the same.

There are funds in for roads, which as it stands is, I believe, insufficient. Needless to say, it is better than not having any funds at all. Speaking for my own district of Cayman Brac and Little Cayman, there is some \$375,000, and an extra \$190,000 and \$10,000. It would be remiss of me to say that I would not like to have perhaps \$1 million to do the roads. I believe that the Government has prioritised and has tried to be as fair and as equitable as possible in the distribution of the limited resources, but still, we find ourselves in a position where we have to borrow.

I believe that the Honourable Third Official Member responsible for Finance and Economic Development has said and can confirm that the danger is not borrowing, but in our ability to repay. Providing the projects are essential—and I believe that they are, Sir—then I have no problem in supporting the Loan Bill. It is not an ideal situation but I believe that we have done the very best in the interest of all of the people of the Cayman Islands in putting forward this Budget.

If I may revert back to the hot issue of prioritising, I would just ask all Members that in so doing it not just be a matter of tautological reasoning, or for the sake of verbalising. In all seriousness, we all understand and are fully cognisant that that is an essential part of any Budget. But with that we must be committed because our performance is based on commitment and we must do more than merely say that it must be prioritised, we must offer positive alternatives and make suggestions as to what should be cut, if anything, and be prepared to stand

here whether or not we will lose votes. Let us be statesmen and not just politicians when it comes to the Loan Bill, or otherwise.

Mr. Speaker, there are other projects mainly with sports. If anyone is reasonable and fair-minded they will see that in the Budget there has been a dramatic decrease in the sum of money allocated to sports, and in some areas Social Services. I believe those are very crucial areas. At the same time, I do not expect to get 100% of the economic pie. I believe that if revenue increases, or the forecast becomes more positive in 1998, then all Members here, being the fair-minded persons they are, will support this supplementary expenditure needed in that regard.

I hope that all Members will not take the Loan Bill lightly or use it as a political football but will, indeed, make positive and constructive alternative suggestions in the best interest of the entire Cayman Islands, and not for one district in particular or from a personal perspective. Again I say that I realise there are things in this Budget which as a new Minister I would have changed had I been in there at an earlier stage. But at some stage we must be able to exercise discretion weighing all factors and doing what is best for the country. With that, Mr. Speaker, I will support this Bill.

The Speaker: Does any other Member wish to speak?

The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddin: Mr. Speaker, the Loan Bill that we have before us today is a Bill that supports the Budget which has just been passed. This Bill is a necessary part of the Budget.

This Bill includes all of the capital that has gone into the Budget, matters such as healthcare facilities, the hospital, and the medical equipment. If there is anyone here who can say that a hospital and the equipment is not needed, then I think that they have their priorities wrong. Those amounts come up to \$6.924 million. In it also are the costs of matters such as the Lighthouse School, the new schools in George Town and in West Bay, and the Red Bay School. We have seen in relation to schools where this Loan Bill will support additions to Creek Primary. It will deal with buildings at the Red Bay Primary. It includes buildings at the East End Primary, a bus shelter at the Boddin Town Primary. At the John A. Cumber School there are three different things listed in it. The Savannah Primary is also one of the schools that will be benefiting from this Loan Bill. The George Town Primary School is also in for a fair amount of funds in this, as is the Spot Bay School for the construction of a multi-purpose hall. Also the secondary schools, the George Hicks, the John Gray and the Cayman Brac High School. So, in one sweep we have basically covered the full spectrum of the schools and medical equipment in the capital projected for this coming year.

The diversity of this capital and the spread of it, other than in relation to the medical equipment and the new hospital, are very sizeable amounts. But the balance

of this Budget depends on this Loan Bill and it is spread over many, many areas of capital in these islands. We are looking at matters such as the Drug Rehabilitation Centre, and the district Post Offices.

This loan, while we are contributing about \$15 million of capital from the recurrent surplus, will go to pay for several of these long-term projects that I have stated. The district Post Offices are important and are necessary to the specific districts they relate to. There are other areas such as the new Agricultural Building, and areas as well that relate to important areas of this Budget which is supported by the Loan.

We have just been through an extremely long meeting of Finance Committee that has approved. . . in fact, the votes put on the Heads of the Budget, to my recollection went through the House without any objection or any opposition to the vote. So we have now approved a Budget that has as an integral part of it these capital development matters.

Mr. Linford A. Pierson: Mr. Speaker, on a point of order.

The Speaker: May I hear your point of order, please?

Point of Order
(*Misleading*)

Mr. Linford A. Pierson: It would seem to me that the Honourable Minister is misleading the House when he says that the Budget went through without opposition. There was a vote taken at the end of the Appropriation Bill on the Third Reading when the vote was six to four—with four people voting against it. I may have misunderstood him, but my understanding is that he said the Budget went through without opposition.

The Speaker: [*Addressing the Honourable Minister for Education, Aviation and Planning*] Would you correct that please?

Hon. Truman M. Boddin: Mr. Speaker, what the Member has said is obviously correct. What I was referring to was when we went through the Estimates, which I refer to as the Budget. What was passed on the majority vote was the Appropriation Bill, which I regard as different from the Estimates that we go through in detail. I guess what I am saying, Mr. Speaker, is that those Estimates, despite there being a lot of talk on this, the vast majority of those different sections of the Bill went through unanimously.

Mr. Linford A. Pierson: Mr. Speaker, again on a point of order.

POINT OF ORDER
(*Misleading*)

The Speaker: Please state your point of order. . . actually, I agree that there was opposition on the division, but

we did agree as we went along on what was said. The final thing was disagreed on. I know that each person had their equal say over a period of five or six days. We had open, frank discussion. But let me hear your other point of order.

Mr. Linford A. Pierson: I do not want to prolong this, but I think we need to clarify this matter. We know that in Finance Committee the Budget was looked at in detail. I think it is understood that on the Third Reading the final position on the Appropriation Bill is voted upon. It was on that reading that Members exercised their right to take a division. In that division there were six people supporting the Appropriation Bill and four against. I think to state it otherwise is misleading to the House and to the public.

The Speaker: Honourable Member, you are absolutely correct on your figures. But I think what the Honourable Minister for Education, Aviation and Planning has said. . . he used the word 'Budget' when talking about our deliberations in Finance Committee. But I take your point.

Honourable Minister, would you restate what you said?

Hon. Truman M. Boddin: Mr. Speaker, what I would like to do at this stage is call for the transcript of the Finance Committee's votes to see whether there was opposition to the votes on the Heads and whether a division was called. That will settle the matter.

POINT OF ORDER
(*Misleading*)

Mr. Linford A. Pierson: Mr. Speaker, on a point of order. That is really confusing the issue. My point is that the Honourable Minister misled the House and the listening public by stating that the Budget received unanimous passage here in the House. He said that all of us supported that. That was the impression given. For us to try to distinguish now between the Budget and the Appropriation Bill is, I believe, splitting hairs. We voted on the Third Reading of that Bill, against the Bill—four against, six in favour. I think that is the way the record should read.

Hon. Truman M. Boddin: Mr. Speaker, in that case, what I would do is ask for the transcript of the votes on the Heads in Finance Committee and let us see how many voted against the Heads there. Mr. Speaker, that is the only way I see, in fairness, that this can be settled. I just distinguished between, and I corrected that part, on the Appropriation Bill here.

The vote, as the Member stated, is correct. But when we dealt with the Estimates in here, to the best of my knowledge, and it was over many days, there was no division on the votes that were put, and those Heads passed. What I am asking, since there is a discrepancy between that Member and myself on that, I am asking for the transcripts on those votes so that we can see whether. . . . [*inaudible interjections*]

I decide what I put up. Since there is a conflict, let us see whether there were any votes against specific Heads in the Estimates.

The Speaker: What specific Head are we talking about? That is the question that I would like to have answered.

Mr. Linford A. Pierson: Mr. Speaker, that is a good question and on a point of order, Sir. The Appropriation Bill is not fully considered until the vote is taken on the Third Reading. We cannot talk about votes taken on individual subheads. We talk about the final vote on the Third Reading. I believe that Honourable Minister knows his Standing Orders well enough to know that.

The final vote was taken. That was a six-to-four vote. That is the one that stands—the final vote on the Appropriation Bill. If that vote had been lost by Government all the agreements during the Finance Committee would have been of naught. It is that final vote that counts and the Honourable Minister knows that. For him to now say that we should go to the transcript is a colossal waste of time. It is totally unnecessary. That is why he came back to the House.

The Speaker: I understand what you are saying. He has repeatedly said that he agrees the division is correct. I add that there were seven absent in addition to the number called.

The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: My point—and I would like to have the transcript of the votes on the Heads—is that they passed through this House to the best of my knowledge without either a division or any vote against them. Unless the Budget has passed that process, under the Standing Orders it cannot then come back to this House to go on for the vote on the Appropriation Bill. So, what I am asking for is the transcript on those votes taken in Finance Committee to show whether I am right or wrong that the vast majority of those were all passed unanimously by the House.

POINT OF ORDER

Mr. Linford A. Pierson: Mr. Speaker, sorry to have to continue on this, but on a point of order, Sir. What happened in Finance Committee is really somewhat irrelevant because some Members did not even vote. If, at the end of the Third Reading the Government Bench had suffered a loss, what happened in Finance Committee would have been irrelevant. It is the vote at the end of the Third Reading that really makes sense, that is really important. The Honourable Minister knows this. To go and look at the different votes taken in Finance Committee is throwing a red herring on the whole thing and confusing the issue. He knows better.

MOMENT OF INTERRUPTION—4.30 PM

The Speaker: We have reached 4.30 PM. I would now call for a motion for the adjournment of this House and you can bring any transcripts you want tomorrow.

ADJOURNMENT

Hon. Truman M. Bodden: Mr. Speaker, I move the adjournment of this Honourable House until tomorrow morning at 10 o'clock.

The Speaker: Before I put the question I would like to say to all Honourable Members that today is Mrs. Bernice Svavarsson's last day. She is moving to Iceland to join her husband. On behalf of the House and the staff I would like to wish her all that is good and to thank her for her services rendered to us here. I have a note which she has passed on to me, and I shall copy it to all Members.

The Member for North Side.

Mrs. Edna M. Moyle: I would just like to extend an invitation to the whole House to join the Business and Professional Women's Club at the Domestic Gender Violence Rally on the Court steps at 6.00.

The Speaker: The question is that this House do now adjourn until 10 o'clock tomorrow morning. Those in favour, please say Aye. . . . Those against, No.

AYES.

The Speaker: The Ayes have it.

AT 4.30 PM THE HOUSE STOOD ADJOURNED UNTIL 10 AM THURSDAY, 11TH DECEMBER, 1997.

**EDITED
THURSDAY
11TH DECEMBER, 1997
10.33 AM**

The Speaker: Prayers by the Honourable Second Official Member.

pass best wishes on behalf of all Members of the House and myself.

PRAYERS

Hon. Richard H. Coles: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed.

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

Capt. Charles L. Kirkconnell, MBE, JP

The Speaker: I have to advise this Honourable House that a former Member of the Executive Council, Captain Charles Kirkconnell, a Member of this House and a Member of the Commonwealth Parliamentary Association, is today undergoing triple bypass surgery in Miami at Baptist Hospital. I feel sure that all Members of the House would offer their prayers for his speedy recovery and to

OTHER BUSINESS

Suspension of Standing Order 14(2)

The Speaker: I would ask for the suspension of Standing Order 14(2) to proceed with Government Business, as it is my understanding that the mover of the Private Member's Motion will give way to Government Business.

Hon. Truman M. Bodden: Mr. Speaker, I move the suspension of Standing Order 14(2) to enable Government Business to take precedence over other business.

The Speaker: The question is that we suspend Standing Order 14(2). Those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it.

**AGREED: SUSPENSION OF STANDING ORDER
14(2) TO ENABLE GOVERNMENT BUSINESS TO
TAKE PRECEDENCE OVER OTHER BUSINESS.**

The Speaker: A continuation of debate on the Loan (Capital Projects 1998) Bill, 1997.

Before I call on the Honourable Minister for Education, Aviation and Planning, when this House adjourned yesterday, we were discussing a point of order. During the recess, I have given serious consideration to this matter. I would like to say to all Honourable Members that the Third Elected Member for George Town raised a valid point inasmuch as on the division on the Third Reading, there was a count of six in favour, four against, with seven absent. I would also at this time like to call the attention of all Honourable Members of the House to Standing Order 67(4): "**When the motion 'That the Finance Committee approves the proposal/proposals set out in the paper', or that motion as amended, has been agreed upon in the Finance Committee, and the report of the Finance Committee is laid on the Table the Member of the Government who moved the motion shall report the motion or the motion as amended in the Finance Committee, and the House shall thereupon be deemed to have agreed to the motion or to the motion as amended, as the case may be.**"

The necessity for the division was simply as a courtesy to those calling for the division, and I would like to further state that in reviewing the situation, the Honourable Minister for Education, Aviation and Planning raised a very valid point. In reviewing the report of the Finance Committee, on all Heads, there were no divisions. Each Head was taken individually and there was no call for a division during that time. Therefore all Members accepted the Heads as they were approved individually.

Having said this, I would ask now that Honourable Members realise that we are now debating the Loan Bill and not the Appropriation Bill. The Appropriation Bill is history, and I would ask Members to let us continue now debating the Loan (Capital Projects 1998) Bill, 1997, the Honourable Minister for Education, Aviation and Planning continuing.

GOVERNMENT BUSINESS

BILLS

SECOND READING

THE LOAN (CAPITAL PROJECTS 1998) BILL, 1997

(Continuation of debate thereon)

(10.40 AM)

Hon. Truman M. Boddén: Thank you, Mr. Speaker. The Loan Bill is an integral part of the Budget that has just been passed, and one which is moderate. It is clear that the loan is in relation to capital projects, not recurrent projects. This is the difference: A balanced budget is when the recurrent revenue exceeds recurrent expenditure, and there is a surplus on the recurrent account. We have that, Mr. Speaker, in that \$14.5 million will be contributed to capital and to capital projects.

There can be no doubt, except for two years that I will refer to, Mr. Speaker, that budgets in this country have been balanced, and there has been no borrowing for recurrent expenditure. In other words, if a country has to borrow to pay for civil servants' salaries, or to repay its debts, or to pay for electricity or water, that means the budget is not balanced. When there is a surplus, and the Government or a company, pays for all its recurrent expenditure and has a surplus left over to apply towards capital projects, then a budget is balanced. This Budget, Mr. Speaker, has \$14.5 million of recurrent surplus. There can be no doubt. That is clearly set out in the Estimates, which have been unanimously accepted by this Honourable House.

The position is that the loans for capital that we have borrowed in recent years are short- to medium-term. The large loan of \$20 million for Cayman Airways was, as far as I know, an eight-year loan. Therefore repayments in these years are heavy. Even at that, Mr. Speaker, we are only applying 6.8 percent of the total recurrent revenue to

service to repay principal and interest. We are a way off from what the Honourable Financial Secretary has said, and if I may quote him on this, "**The total annual debt service (principal and interest) is expected to represent 6.8 percent of 1997 Recurrent Revenue which is below the debt service ceiling of 10 percent established by the Government.**" We also know that ten percent is what is internationally accepted by world organisations such as World Bank, International Monetary Fund, and the other international financial agencies. We are way, way under this.

We have, between 1993 and 1997, repaid \$58,902,190 on principal and interest, so we have repaid a very substantial part. In fact, we have repaid more than we have borrowed over that period. We have clearly shown that this amount—and agreed, it is principal and interest, but the bulk of this is repayment of principal—does exceed the amount borrowed during that timeframe. It is not as if this borrowing is in isolation. This year alone, the repayment is \$17.41 million of principal and interest, and borrowing is \$19.5 million. A large part of past debt is being repaid, and notwithstanding that, we still have a surplus of \$14.5 million.

The total loans, to 1997, are a few million dollars less than that amount. While I know one Member has taken the point that it includes principal and interest, the larger part of that is obviously payments of principal.

Therefore, while it is fair for one to say that the loan bill is for \$19.5 million, it is fair also to say that the repayment on past loans of principal and interest is \$17.41 million, and that over the total period, there have been repayments in excess of what has been borrowed. While repayments on principal may be somewhat less, when you add both together, we have put back in more than was borrowed.

The position therefore is not one that needs to cause any worry whatsoever, because the \$19 million that is being borrowed is for long-term projects. It is not to pay salaries or to pay recurrent expenditure. These, as we know, Mr. Speaker, include the Hospital, the schools, the roads. Six or seven million will be going into the Harquail Bypass this year alone, and the many roads that have been put through George Town and the other districts here, and on the other Islands. Money is being put into civic centres. Four full medical health centres have been opened in the districts. These are assets. This money being borrowed is going into very good projects.

At this stage, we are undoubtedly in an economic boom. There can be no doubt that this is the best the country has ever been. Our revenues are high, and this is the time that, if we are going to do projects which are large, such as the Hospital, for example, and very large roads, such as the Harquail Bypass, we need to do it during this stage. The Crewe Road Bypass also is one that is scheduled into this Budget.

The point that has been made in relation to reserves, I think applies equally to the question of loans. Over the years from 1992 and including the Budget in 1998, we would have put \$34 million into pension reserves. That \$34 million, Mr. Speaker, had it been ap-

plied against debt, or to general reserves, would have raised the general reserves by \$34 million; alternatively, it could have reduced the debt by \$34 million. We are responsible to the civil service, Mr. Speaker, and past governments, including the Government I was in in the late 70s, 1976 to 1984, none of the governments then, nor before nor after that, had fully made provision for civil service pensions. It is a contingent liability that has to be paid by the Government. We could have done what the government I was in from 1976 to 1982, and every other government has done, take the \$34 million or a part of it, even \$20 million, put it in general reserves and say, 'We have \$20 million more in general reserves.' In fact, you would not have it, because the liability is owed to the civil service.

The total amount put into capital in the last four years is \$147.7 million. That says a lot for this Government when borrowing was in the area of about \$50 million. This is borne out by the accounts that show the amounts contributed to capital, nearly \$80 million. About \$80 million of recurrent surplus was put into projects such as the Hospital, the schools, and roads, civic centres, medical centres in each district. That was—and I am reading here from Appendix VII of what was given by the Accountant General—in 1993, \$11.2 million of surplus was put into capital; 1994, \$13.9 million was put from surplus into capital; in 1995, \$16.3 million of surplus was put into capital projects; and in 1996, \$23.6 million was contributed. This year, it is estimated that \$14.5 million will be contributed, or \$79.5 million of recurrent surplus was put to buy long-term projects.

No individual and no company is able to buy a house out of their salary in one year, so it is a myth to believe that this country is any different. If we have long-term projects, then they have to be financed and paid for over a period of time, and every government has followed that principle. We are well under the percentage for servicing those loans, so we have a lot of credit left if it ever became necessary to borrow further.

Only twice in the history of this country that I know about, at least in the past twenty years, the Budget of this country was not balanced. In 1990, the recurrent revenue was \$101.8 million, and the recurrent and statutory expenditure was \$103 million, making a deficit which had to be borrowed to pay for recurrent expenditure, of \$1.2 million. The other time, Mr. Speaker—and I am reading from the Accountant General's summary, was in 1992, when the recurrent revenue was \$121 million and the recurrent and statutory expenditure was \$124.6 million, leaving a deficit of \$3.6 million that had to be borrowed. That is only twice in the history of this country that the budget has not been balanced.

In all of the previous years—and I only have from 1984 here—but from 1976 to 1984, I am sure that, and perhaps in the earlier years, there was always a recurrent surplus, so in every year we have been here, as I have just mentioned, the five years have created \$79.5 million of surplus. We have never had any deficits between recurrent revenue and recurrent and statutory expenditure, and that is taken from Appendix VII of the Accounts

headed "Cayman Islands Government Financial Summary" at page 42.

This country, Mr. Speaker, is not only in a boom, it is in a very good financial position. What is significant at this stage is that boom periods can only come when the people, the financial institutions, the business companies, have faith in the government. The day that falters, we will find that the country's economic boom will shift and we will get a recession. Thank the Lord, we have continued for probably, I am sure, the longest period of a boom that this country has ever seen. But it has been a controlled growth. The growth has always been under five percent, and therefore the movement upward has been at such a controlled pace to ensure that it could be stretched over as long a period as possible.

In the past, the economic cycles in this country went up and down every two to three years, and that was during periods when I was in government in the past, and I am not referring now to any specific government, but the economic cycle of a boom to recession basically came every two to three years. Thank the Lord, we have had about four good years now, and there is no reason, as I see it, for that to change in the future. At some time it will plateau out, and that is something to be expected. At present and for the foreseeable future, the position looks good.

One of the things I would like to mention is that while quotations have been done on public debt, the debt overall has to be looked at along with the self-financing debt. Before 1992, many of the self-financing loans were put into statutory corporations, such as the Health Services Authority and two or three other authorities that were involved. Those loans have now been brought back into Government debt, so this has to be looked at as a whole. It is therefore not correct to just isolate the public debt and say nothing of the statutory authorities' debt, because Government is responsible for that debt.

At the end of the day, the figures down to December 1996, what is estimated for this year, Mr. Speaker, are going to be subject to fluctuation. The public debt and the self-financing loans—and I am taking this from Debt Summary No. 1 that Members were given—at 31 December 1993—this is after the Cayman Airways loan—the total debt was \$54,126,799. That was split between \$27 million of public debt and \$25.5 million of self-financing debt. At the end of 1996, the debt had increased to \$67.5 million. It was only up approximately \$13 million because many repayments were made during this period, which are also set out in here.

The statutory authorities' debt at that stage was only \$16 million and the public debt was \$50 million. I am saying this because while it has not yet been done, when we are looking at the debt of the country, it must be looked at overall. The debt brought back in from the statutory authorities on the self-financing debt has now shifted to public debt. The total debt and loans during that period only increased by \$13 million. I am reading here from the Summary the Honourable Financial Secretary produced, which sets out the borrowing repayments.

Any attempt to isolate and talk about public debt without talking about self-financing debt is misrepresenting and not showing the whole picture. I submit that we have to look at the full picture. Mr. Speaker, with that increase of \$13 million, we did approximately \$130 million of capital works. That is not an insignificant sum. \$130 million went into schools, roads, hospitals, district clinics, civic centres and many, many other areas that are so badly needed.

What I would like to do now, because a lot has been said about where Government is and is not. . . and we can speculate and give estimates on what is happening, but facts are facts and I am happy to either lay this on the Table or give copies of it to Members. The actual figures to 30 September 1997 showed recurrent revenue of \$163,754,000. The recurrent and statutory expenditure was \$144,712,000, giving a recurrent surplus of \$19.042 [million]. The difference between revenue and expenditure was \$19,042,000.

We had capital expenditure of \$29,788,000 and we had loan financing of \$8.8 million only. To the end of September, having spent \$29.7 million of capital, the only loan financing we drew down was \$8.8 million. These are the figures, so no matter what is said and how anyone tries to misinterpret the position, the position is very clearly that at the end of September we had \$19,042,000 of revenue surplus. Along with \$8.834 million of loans, we had spent \$29.788 million on capital.

I go back to this, Mr. Speaker. A balanced budget is when the recurrent revenue, less the recurrent expenditure and statutory expenditure, shows a surplus. This is something I am happy to lay on the Table if copies of this can be made and given to Members. Whatever may be said, down to the end of September 1997, this country has been, and continues to be, in a very healthy surplus. Our revenue is well in excess of the cost of what we pay out for salaries and to service the debts. No one can dispute this.

What will happen, and I will warn this House and the public to watch out for, is when people come in giving what they estimate things are going to be. Anyone can estimate it. We may estimate it conservatively; the Opposition may estimate it in a pessimistic way. Facts and figures do not lie. As at 30 September we had a recurrent surplus of \$19,042,000 and we had only borrowed \$8.834 million, and had spent \$29.788 million.

Much of this would have been on the Hospital. The Harquail Bypass has also been an expensive road, but it is an asset. Many of the schools were done. There was work in Cayman Brac and Little Cayman and throughout all the districts. Whatever may be surmised, these are hard facts that put this country in a very good position.

I would ask that Honourable Members of this House and the public accept these figures. They are signed by the Accountant General designate and I will lay this on the Table of the House so it can be given to Members.

The Speaker: So ordered.

Hon. Truman M. Bodden: Mr. Speaker, Monday afternoon, and again yesterday, I saw a barrage of attacks on me. . .

Mr. Roy Bodden: We are giving you what you gave us! You have more to get!

Hon. Truman M. Bodden: Mr. Speaker, I am not going to be drawn into this, either at this stage or in the future. I had prepared a considerably lengthy reply, but I thought I had to stay above getting down into areas that are not becoming in debate in this House. The public is well aware that I have been targeted and attacked, again and again and again. In the interest of this country, I have taken it. That is why in my two debates. . .

[inaudible interjection]

Hon. Truman M. Bodden: . . . and I am sure the public can hear one Member across there trying to interrupt me. I am not going to get into any sort of rhetoric across the floor of the House because I have certain standards and I intend to keep them high. I do not intend to have anyone. . .

[inaudible interjection]

Hon. Truman M. Bodden: (*Addressing the Third Elected Member for Bodden Town*) I really wish you would shut up, please.

I am not going to let anyone pull me down into the gutter on debate.

Mr. Roy Bodden: Hypocrites, Mr. Speaker.

Hon. Truman M. Bodden: I do not, therefore, intend to get into any sort of across-the-floor debate in this matter. I have kept my debate high, I have dealt with facts; I have kept away from names and it is unfortunate if other Members do not follow. I will say this: The public is smart and these attacks provide their own punishment at the polls. Members need to remember that. I think the public is tired of rhetoric and fighting.

I know Members of this Honourable House are tired of being here, Mr. Speaker. Yesterday was a good example when seven Members were not here. I would urge Members to get on with the business of the House. There is a lot left. Keep the debate short, keep the standards high and debate the facts and the facts only.

In summary, this country is in an economic boom. There can be no doubt about it. The percentage of recurrent revenue that is needed to service the debt is only 6.8 percent. Many of the loans are short- and medium-term loans, mainly medium-term, not long-term. The repayments are higher.

Also, the principal and interest that was repaid by this Government over the last five years exceeded the total loans drawn down. Also, we have put \$34 million into pension reserves that we could have put into general reserves if we had followed what other governments in the past (including my Government) did in the early days.

We have continued to build the general reserves and they are moving up. They are not moving as fast as I think we would all like to see, but, on the other hand, we stayed here and went through this Budget and no one was able to say, "Cut this or that large project." At the end of the day, the loans are to finance projects that were in the Budget.

The last aspect I pointed out is that the Government's financial position up to September 1997 shows a very large surplus of \$19 million (I do not have the exact figures because I have laid them on the Table), and it shows that we only borrowed a bit over \$8 million to finance \$29 million of capital. That is the position. Whatever may be said, it is only people's opinion. That is why I have stayed with facts in here. For the five years that I have been in this House, the Budget of this country has been balanced and, as I said, some \$79 million of surplus has been accumulated—\$79.5 million over the past five years—that has gone towards financing \$147.7 million.

Mr. Linford A. Pierson: Mr. Speaker, on a point of elucidation, if the Member would give way.

The Speaker: Will you give way?

Hon. Truman M. Bodden: Mr. Speaker, I am not getting into any fights on this. I have stayed very calm. I am not going to give way. I would just like to finish my speech and sit down, please. I do not have to give way, and I am not going to, Mr. Speaker.

The Speaker: Please continue.

Hon. Truman M. Bodden: Obviously, the aim is to break one's train of thought. I need a minute to try to figure out where I was.

The position is that we have had a surplus of \$79.5 million over the past five years and this has financed assets of \$147.7 million of capital projects—schools, hospitals, whatever. This has been done because of prudent financial policies. We have always contributed from a surplus to the capital. Mr. Speaker, you cannot pay for your full house out of one year's salary. We know that. Every one of us who has a house has paid for it over a period of fifteen or twenty years. Therefore, it cannot be expected that a Government, a company or anyone else, would have sufficient funds out of their revenue, which in the case of an individual would be their salary, to finance buying all of its capital such as its houses, or, if it is a business, its offices. It is done over a period. That is something we have always done. We have lived within our means, we have repaid more than we have borrowed—agreed, it is with capital and interest. That says something.

Most importantly, the public of this country, and internationally—and we have to appreciate that internationally there is good faith in this Government and in this Island because the economy in the private sector is booming, and both the international financial and business industries fully support this country and this Gov-

ernment. That was so clear in the Financial Secretary's speech showing the rapid increase in banks, insurance companies, in companies and all the other businesses around here. The real estate is in a booming stage.

These things speak for themselves, no matter what is said. Hard facts cannot be changed. That \$19 million of surplus down to 13 September might not be liked by some of the Members of this House, but that is hard facts and only \$8.8 million was borrowed.

I would make a plea for Honourable Members to try to keep their debate high, try to keep out of areas that are going to waste time, or to cause the House to get disrupted, and to try to live up to what I think the public, those who voted us in here, and the public in the Cayman Islands as a whole would like to see, that the debate is kept high and that the standards of this Honourable House, which is the highest council in this country, stays and keeps its standards to those which the public would expect of us.

With that, I am very happy to commend the Honourable Financial Secretary on a Budget well done, one that passed through this House and we are now on the Loan Bill, and to say to him, Keep up the good work, because the public out there knows that things are going well and those are hard facts. I just pray to the good Lord that things continue to go well in the future. Thank you.

The Speaker: Proceedings are suspended for fifteen minutes, and I ask all Members to be back in fifteen minutes.

PROCEEDINGS SUSPENDED AT 11.20 AM

PROCEEDINGS RESUMED AT 11.48 AM

The Speaker: Please be seated. Proceedings are resumed. Debate continues on the Loan Bill. The Fourth Elected Member for George Town.

Dr. Frank McField: Mr. Speaker, while listening to the Minister for Aviation and Education defend the Government's desire to borrow \$19.5 million, I was sort of lost, to a certain extent, because there were so many figures mentioned, that at a point, I truly had the feeling that I was sitting in the wrong place, because my understanding of economics and accounting suggests that all of that could have been made quite simple.

Perhaps if it were made any simpler than that Minister made the exercise, we would see that Government, yes, needs to borrow. Government is capable of repaying the amounts, especially with short notes, as Government has demonstrated over the last five years.

The philosophy I would like to briefly discuss is not the question of whether Government is capable at this time of paying to do additional projects, or render additional services. The economy being what it is—and the Minister did mention those facts—we know that investors have a certain amount of trust in our economic system that allows us to say that we should continue, if there are no down-turns in the world economy, to prosper and not

to suffer from any type of economic recessions or retrogressions.

Mr. Speaker, I believe that our economic situation is the result of the fact that we do not have to render unto Caesar what is Caesar's. In fact, I should hope that, if Caesar does come to the Cayman Islands, we do not give him any temporary or permanent residency. By Caesar I mean the taxman. I mean the one who collects tributes from the people and feels it is somehow his right to take from those who are truly the creators of wealth in a country, and to distribute that in the way he sees fit, without being questioned by those responsible for paying tribute.

It is very important that we, in developing this country, do not get so enthusiastic about delivering services and delivering capital projects, to the extent that we begin to erode the taxation system we have in the country at present. My point is that when we begin to create more and more, and focus on more and more needs, and when we begin to convince the people and ourselves that these needs must be met by Government, in fact we are creating the need to raise new revenues, or to borrow in cases where revenue is not sufficient.

Therefore, for us to labour the point that revenue is good, we simply forget about the fact that in March of this year, when we met to discuss the Budget, we also had a Loan Bill, which I supported at that time as part and parcel of the Budget, because I felt that my newness to this experience did not place me in a position where I could truly say that Government could do without borrowing this amount of money.

Now I have become more clear as to what has been happening. Mr. Speaker, I said that there was a lack of leadership in this country, a lack of creative leadership, an inability for us to visualise the future, and an inability to take what we were visualising as the future and bring it into the workings of the present, to integrate those two—our desires for the present and our desires for the future—to integrate them in such a way that leadership learns to manage. We need to see that we are not acting as if democracy means the rule of the mob, or democracy means somehow that we can all get in at the same time to the same points and at the same time get what we want. We have to learn to manage our priorities. We have to learn to assist the people in structuring priorities.

A case in point is the opening of the health centres in the different districts. We are having the openings of three, four health centres at the same time that we are building a major Hospital. We are using a whole lot of money. We are having to borrow money for the Hospital projects, yet we are building the health centres.

Even if we find that we are borrowing money to pay for the Hospital, but we are taking from our recurrent expenditure money to pay for the health centres, then it goes to say that the reason we are borrowing money to pay for the health centres is because we are using recurrent expenditure. The fact that we have to borrow is the question here. Why do we have to borrow? We have to borrow, not just because we need. We have to borrow because we are structuring our priorities incorrectly.

We know the need exists. The need exists because the priorities are not being structured properly. This is one reason I said, in my last debate on the loan bill, I did not want to get in the way of the Government doing the country's business by saying to them they cannot borrow the money. I would agree with that. I need to see at this particular juncture that the priorities are being set in place. That if this one says, *'My District needs a civic centre'*—and it might not necessarily need a civic centre because we already have a civic centre in that particular area—if people really were creative, they would learn how to use that facility. If we could teach people that co-operation rather than pulling apart is what we need in this country, if we could teach people that the collective processes are superior to that kind of parochial consciousness, then the people themselves will come to us and say, *'You do not need to spend all this money. You do not need to build us all district clinics at the same time you are building us a Hospital, because this might endanger the security and financial stability of the country down the road.'*

Mr. Roy Bodden: Preach! Preach! Preach! Preach!

Mr. D. Kurt Tibbetts: Hear, hear!

Dr. Frank McField: Not today, when we are prosperous. Not today when people are rushing to get into our doors, but maybe tomorrow!

Mr. Roy Bodden: Preach man, preach!

Dr. Frank McField: This is what is important: That we do not try to do all things for all people at one time. It makes the Government look good. They can come back and say, *'Look at what we did. We did this, we did that, we did the other thing, we did that, we did that, the last people didn't do anything.'* They have done it as a result of the growth in recurrent revenue. They have done it as a result of the growth in the revenue of the country, and by borrowing. That is how these things have been accomplished, and therefore, it is important from the very beginning to get rid of the superstition we have in this country that Government exists in terms of its financial ability independent from the citizens of the country. Government spending is directly related to the people's labour.

Every time we see that we can do more, it is not individual people in Government doing more. The people in the country are producing more, and therefore the revenues increase, and the Government is allowed to achieve what they have structured as important within the country.

This is a small country. I know we have a very high standard of living in this country. I am beginning to see that somehow—and I believe, Mr. Speaker, that before I am cautioned about moving away from the Loan Bill, what I am trying to say is why I cannot support the Loan Bill. There is a philosophy here—not facts and figures, as the last speaker mentioned—but I am dealing here, Mr.

Speaker, with concepts. I am dealing here with principles; and principles and concepts are very important to the task we are here to do. It is not good enough for us to say, 'Well we put \$34 million into a pension fund. If we did not put it into the fund, it would show up here, in the accounting system.' You have already identified that as a priority, and you have done it! It's gone! It is not as if the State belongs to any one group of politicians! The State continues! The responsibility of the State will continue after the National Team period in Government, just as it has continued until the beginning of their period in Government.

Regardless of where they decide to put money, regardless of whether or not more money is coming in now than was coming in before, and they can afford to be a little bit more generous in terms of answering the immediate demands of the people, they must not fail us in attempting to grab the bull by the horns, and to structure the priorities, and to have dialogue with the people, and to consult the people, and to find out how we can begin to change the very distorted priorities we have for ourselves here in this country, not just as individuals, but as a Government as a whole.

Immediate gratification is simplistic; it is animalistic; and we have to get to a higher stage of development. Only through structuring our priorities in a logical and constructive manner, will we really be able to show our sophistication in this country.

Mr. D. Kurt Tibbetts: Hear, hear!

Dr. Frank McField: Character sometimes is not built by wealth, but by not having, by poverty. People are forced to become more creative, less wasteful, more appreciative than saying, 'Government needs to do this.' I hear this all the time, because every time the people say, 'We want,' Government realises that if they do not answer the people's wants, they might not be in Government any more. We have to think about ourselves. And to think about ourselves, we have to sometimes say, 'I know it is hard to persuade this member of my constituency that this is not needed or cannot be afforded at this time, but I have spent more time, because it is my job, thinking about this, therefore I should attempt to convince that person.' Given a little bit of time, we can convince these people. This is one reason I am a full-time representative and why my job should be considered a full-time job. It takes a lot of time to persuade people that maybe what they want is not what is necessarily the best for everybody. We have to be looking, not just at what is good for one person or two people, or one district or two districts, but what is good for the country.

We need to develop a national perspective in this country, and therefore I believe that the Minister of Education's policy on education should not just be the Minister of Education's policy, but the Government policy on education. The Minister of Tourism's policy should not just be the Minister of Tourism's policy, but Government policy. When we get an integrated policy concept, then we will be able to structure needs. Then we will be able to

see a budget brought before the Legislative Assembly that does not represent scrambling, 'Let's get to the point, let's see who gets this and let's see who gets that, because if I don't get this, it's going to make me look bad.' If I have to give up something as a Minister, it would be hoped that in the Government achieving a greater picture, what I had to forsake as one individual Minister, is not being betrayed, because at the end of the day, the greater purpose, the greater good is still being served.

This is why I am approaching this Loan Bill from this point of view, in saying I cannot support it. I am calling upon the Government, and I will be calling upon them for the next three years, to streamline priorities in such a way that although we are capable of borrowing, and although we are capable of paying back what we borrow, we do not borrow simply because we can borrow! I am sure that when I voted for the increased revenue measures in March, I gave the Government a possibility to bring in more money in voting, but yet they have come back to borrow again.

They borrowed in March. They are borrowing almost the same amount again, although there was an increase in revenue. What does that say to me? It says that they are not willing to live within certain limitations. Yes, the country needs development. Yes, if we stimulate the economy, it will mean we will have to finance infrastructural development. Even in stimulating development, the Government should be looking at whether it will be able to pay for the infrastructural development.

When we are deciding to have a Stock Exchange, we also have to decide how much it is going to make for us. What kind of infrastructural development is it going to demand? Will we be able to pay for those infrastructural developments out of recurrent revenue? If we are not going to be able to pay for it out of recurrent revenue, then we will obviously have to bring in new revenue measures, which we did in the last Budget sitting of this House. We brought in new revenue measures! I suspect that the reason we had not sufficient funds, the reason we had an \$18.2 million increase in recurrent expenditure, was because of what we have been spending on capital projects! Believe it or not, capital projects also mean an increase in recurrent expenditure! If we are going to live within our means, then we have to make sure we are not putting too much food in the stomach at one time! The stomach will begin to bulge! You feed the system too much, the bulge is there! We see it.

We have to make sure that we know, when we are building a big Hospital, we are going to have an increase in recurrent expenditure. Not only do we have to ask ourselves, 'Can we afford to build a hospital by borrowing?', we have to ask ourselves whether we will be able to have enough recurrent expenditure to support the Hospital. If we are going to build the health centres, we can build them by borrowing, but do we have enough money, through recurrent revenues, to be able to support all these projects? At the end of the day, Mr. Speaker, if we do not have, we have to go back to revenue raising. We have to bring in revenue measures.

This is one reason I said that we have to be careful about Caesar. Caesar comes back, and Caesar does not say he has made a mistake. His tactics were wrong. His armies were pinned down and ambushed, and it was his mistake as General, and therefore he will wait for another five years before he raises money to take another army someplace else. Caesar comes back to the people and says, *'Look, I am Caesar! Give me your money!'* He brings in measures, and he justifies it through laws, and his power. We have to make sure that this will not be the philosophy in this country.

I am not talking to the National Team about this. The National Team is only here until the year 2000. It is important that we recognise that whoever inherits their positions understands that you cannot continue to be more responsible for recurrent expenditures in this country with the kind of tax base we have. The type of tax base we have will no longer allow this. This is a very important point. Although I know there are certain Members who are being entertained by the situation, I would like them to reflect upon this point. If you have no more points to develop your tax base, yet you are developing your recurrent expenditure through building, what will happen? That is what we need to be talking about. Not about all the \$34 million that got taken and put because they were not responsible for this. Not because of the fact that the previous Government or most previous governments did not do this or do this. We have to understand, gentlemen, that if we do not get our priorities right, if we do not get out there and help the people decide what the priorities in this country will be or should be, we are going to enter a position whereby we can no longer finance through recurrent expenditure—not just building, but recurrent expenses. That is a very dangerous position.

In borrowing, I am not saying that Government cannot afford to borrow, from the point of view that it does not have the credibility to borrow. I am not saying that Government could not, that there are not needs in the country. There will always be needs in this country. There will always be serious and immediate needs in this country. The question remains, are we going to be responsible enough to assist one another and assist the people in prioritising those needs? We hear that coming from Members of the Back Bench. *'We need to prioritise our projects. We need to prioritise our needs.'* When I came first, I was going to vote for the Loan Bill, because I voted for the loan bill the last time. I voted for the loan bill the last time because I said I did not want to be accused of disrupting the normal flow of Government. I do not come here to create barriers between Members of the Government and me. I do not come here to create ill feelings. I do come here to do my job. I am a highly paid person for the job I am doing, and I expect to be paid well, so I expect that people will expect that I will do my job well! I know we have heard quite a few people make comments about this Finance Committee we have just finished. Many people are pleased by the way things are going in Finance Committee. They see that there is a new vision! There is a new day! Not with Cayman Airways, but there is a new day here in this House.

We continue to believe that you have the mandate from the people, that you will stay here for three years. We are not going to push you out. All we can do is question you, put you on the spot, and then you will find solutions, and then you will be improved. When you come back in the year 2000, the people might elect you again simply because we have been so good in assisting you to go from good, better, best and never stopping until your best is your very best!

Let us not get the feeling here that all we say should fall on dead ears, simply because you can vote away what the Fourth Elected Member for George Town said. You can vote it away! You can vote for the Loan Bill! You can pretend that what I said does not really have any relevance! It is a very important point that the country is listening to, gentlemen. The country will hold you accountable in the year 2000, gentlemen.

If I were borrowing the money as an individual, then it would be a totally different thing. I thought about that. I have borrowed for a house. I have borrowed for a car. Then again, I did not inherit anything, you see. I was without a job for a long time. Government has been raising revenue for a very long time. Government has inherited something. In that sense, gentlemen, we should be able to afford to pay for some of the capital projects. If we work out a system whereby we only use recurrent revenue to pay for recurrent expenditures, and everything we have to build, we have to borrow to build, then we are creating a very dangerous precedent: That because we are not paying for salaries, we can borrow. That is not true! What company operates under that principle? Do you think if the Kirkconnells were operating under the principle that as long as they are not borrowing to pay the people working for them, they are okay? They would go broke! They would never be able to buy additional machinery, and additional property that way. They must make sure that if they are borrowing to buy, what they buy is going to be productive, what they are buying is going to cause them to be making some money as well. We have to see that.

We have to see that if we borrow, for instance, for the Port Authority, the Port Authority makes money! I am not going to sit here and criticise that type of borrowing! I would not! If we borrow for Cayman Airways and Cayman Airways is making money, that is okay! We are borrowing at the same time for projects that, although they are capital, as the last speaker said, they are assets. They are not assets that actually cause any revenue to be accrued. They only cause money to be spent. They cause money to be spent, and that is the point I am making.

Mr. Speaker, I am saying that we need to try to not put the future politicians in this country in the predicament that past politicians have borrowed and borrowed, and therefore if there was an emergency, they would have no possibility to borrow because they would already have been so in debt. We have to stop that here at this point. I am appealing to the Members responsible, that even if they pass this Bill this time, they take it very much into account. Just as we came one day and found that paying into the civil servants' pension fund was a priority and we

had to put \$34 million in there, another generation in the next four or eight years might come and find other priorities too, and might need to see that those priorities are solved all of a sudden. We cannot know the future. We do not know that there will not be a recession. We hope to God that there will not be, but there could be. There could be. It could be that people do not love us after all, and they begin to go someplace else. That could happen too. It might not happen, God forbid that it does, but it could happen.

We cannot just live saying everything is okay, so we need not plan for tomorrow. We have to put ourselves in the position that we have alternatives. We need to stay flexible. We are a rich enough country to afford ourselves that kind of flexibility. It is not good enough, at the end of the day, not to me, not at this stage. Many people will see inconsistencies in the things I am saying. As I develop, I will change. Thank God I at least have that capacity, and I have that over a whole lot of people who are always the same, who will always be the same. As I develop and learn, I will change my perspective. I will alter it. I now say, it is not good enough for us to say, as a small country like this one, as a prosperous one like this one, that we are below the internationally recognised borrowing standards. If they say it is ten percent of your recurrent income, as long as you stay at six percent it is okay and it is cool. That is not good enough, because we can do better. I am asking that we do better. I am asking that we do what is necessary with what we have found here, borrowing we are talking about now. We need schools. We have not developed any other kind of alternative.

Look at it, gentlemen and ladies, we have a bill for health insurance. People are going to be forced to pay for medicine through that. If people pay for medicine, then I will ask, why can't they pay for education? Why can't people pay for education? Maybe these are . . .

[inaudible comment from the Chamber]

Dr. Frank McField: Well, it means that you have to put your thinking caps on and start thinking! I am just throwing these things out! I have thought about them, but I am not going to give you the puzzle to this, because then you will get back in the year 2000!

[Laughter]

Dr. Frank McField: You will have to find your ideas someplace else. I am saying that although we think this is all we can do, there is a lot more we can do. We can start to adjust the way we think, and through adjusting the way we think, we will find that our priorities will also be adjusted. Once our priorities are adjusted, through adjusting the way we think, we will find the way money is spent changes. This is what I am asking we do, and do collectively, and do in here.

I will finish by saying, Mr. Speaker, that I voted against the Budget. The last speaker said that the Loan Bill is an essential part of the Budget. Therefore if I wanted to vote against the Loan Bill, I would have to vote

against the Budget. If I wanted to vote against the Budget, I would have to vote against the Loan Bill. It appears that the Loan Bill is a part of the Budget, Appropriation Bill. They are complementary parts of the same parcel, and I had problems with the Budget. It is true, Mr. Speaker, that I was one of the persons who came here and asked that there be reconsideration regarding allotments under certain heads, and I was upset. There are people who might think, *'This was your position, so now because you were involved with the process, you should take final responsibility for the final product or the final outcome of that process.'* I do not think that is necessarily true. I think I have assisted the Government in restructuring the priorities in the Budget in such a way that it will be more helpful to them, and to the people. At the end of the day, I am still not satisfied by the overall structuring of priorities and the cost that has been a result of the way in which these priorities have been structured.

I am using my position outside here to send the message to say, like I said before when I voted for the revenue measures, I have come into the Legislative Assembly to try to get the duties off foodstuff, but found Government needed that \$8 million or so, so I could not expect this to happen. I voted for the revenue measures. I cautioned that next time, maybe I would not be so generous. I would have a different perspective. I am warning again: Next time, I might have a totally different approach to Government's budget and Government's loan. I wish them all the luck with this, because I know it is not for any one of us here, but it is all for the country's good. Although I will not share historical responsibility in voting for this, because I am saying that until we can get our priorities right, we have to stop borrowing.

When you go to banks, the first thing the bank manager says, *'Do you have your priorities right? How much are you paying for this? How much are you paying for that? How much are you paying for that? What percentage? Do you have your priorities right?'* If your priorities are not right, if the bank manager feels your priorities are not right, then you do not get the loan. That is my position. It is not that I do not think Government is capable. It is not that I do not think Government should. It is just that I do not think the priorities are right, and therefore I am not going to support this Loan Bill.

The Speaker: Does any other Member wish to speak?
The Third Elected Member for West Bay.

(12.25 PM)

Mr. John D. Jefferson, Jr.: Thank you, Mr. Speaker. I rise to offer my few comments on the Loan Bill, requesting authority to borrow \$19.5 million to supplement the Budget for 1998. In my Budget contribution, I mentioned my concerns about borrowing, and I also mentioned, and it has always been my philosophy, that one of the keys to our financial success and stability has been our ability to live within our means. I did a rough calculation of what we have borrowed since 1993, and it is about \$91.2 million. The people elected the National Team Government on the promise of good fiscal management, and I recall in

1993 when we took office, there was no money to spend. We tightened our belts. We recognised what had to be done. We also recognised, at the time, the financial position of the country. We recognised that we had to create some breathing room in order for us to get our financial affairs in order.

I believe it is imperative—and I am talking to my Government now, Mr. Speaker—it is imperative for us to arrive at national priorities. We cannot get everything we want in one year. There are many projects; there are many needs in this country, but we must all recognise that we cannot get it all at one time. What is disturbing, Mr. Speaker, is that in order for us to balance the 1997 Budget, we had to borrow \$25.8 million in addition to a revenue-enhancement package that was to realise something like \$6 million in revenue.

Right now, we have a major project underway that will be completed in 1998. That is the Hospital. We all recognise that we could not finance that project out of recurrent revenue. Not all of it, Mr. Speaker. We recognised that we would have to borrow some money to provide our people with that project. I do not believe that the people of the country felt hard, about Government borrowing for that purpose. Many questions were asked in this House about space at the Hospital. Many times we were told that people showed up there sick, there were no beds, there were not sufficient beds to accommodate them, so they had to be given some painkillers and sent home, saying, *'Come back tomorrow. Hopefully you will live out the night.'* Mr. Speaker, that is a priority, as far as I am concerned. We have been working on this project now for the last two years, I think. We have one more year in order for that project to be completed. Once that project is completed, it will create some space in the capital side of the budget for other projects.

I also recognise, Mr. Speaker, that the new Hospital will add some pressure to recurrent expenditure, but it must be understood that when that facility is completed and properly equipped and ready for service, those persons who can afford it must be required to pay for those services offered at the Hospital. We have a very strange mentality in this country, Mr. Speaker, some people that is, in believing that once Government provides it, it has to be free. I believe the time has come when we have to change that, because Government cannot continue to provide all services free to the general public.

What concerns me is that in my District, we have some great needs, and I recall, since 1989, pushing for a proper hall or civic centre where we could, as a District, gather for social and other events. Because of financial restraints we have had to, year after year, say, *'We cannot do it this year. Let's do it next year. There is a provision put in the Budget.'* Next year comes, it is still not done. We have a primary school in West Bay. I understand enrolment is now over four hundred kids. I recall the First Elected Member from West Bay and I chastising the past Government for having to house our kids at the old West Bay Town Hall because the facilities were not given a priority.

In many budgets now we have had a provision for a multi-purpose hall, or an assembly hall, for our West Bay Primary School. Until last year—up until this year, I think—we had provision in the Budget. Nothing has been done! Now when that school holds a function, we have four hundred kids plus parents and guardians. There is no facility in West Bay that can accommodate them. I recall last Christmas attending the Christmas programme. They had to have it on the West Bay Town Hall Field. Why? There is no facility in the District to accommodate a function of that size. We must make this a priority, as far as I am concerned.

The problem we run into is that we are all politicians, and everybody is trying to get everything for their respective districts all at one time! We must say, *'North Side got their civic centre last year. Where is the next priority as far as a civic centre is concerned? Is it West Bay? Is it George Town? Is it Bodden Town?'* Just because we get one in West Bay you have to have one in Bodden Town, you have to have one in East End . . . it cannot work. It cannot work, Mr. Speaker. I think we have to come to grips with the fact that we cannot just sit there and share out the revenue between districts on an annual basis and expect the budget to balance without borrowing.

It also has been identified, Mr. Speaker, that the districts of West Bay and George Town are in dire need of new primary schools. I am aware that there was a provision in the Budget this year to attempt to buy the property. That was not successful. There is a \$700,000 provision in this year's Budget for that purpose. Can \$700,000 purchase property and build a school that is going to house probably four or five hundred students in West Bay and George Town? I do not think so, Mr. Speaker. I have noticed over the years that when it comes to cutting and giving up—and I must give the Minister credit—the area we seem to be giving up all the time is the area of education in order for the budget to be able to balance, because everybody else wants their priorities.

We recognise that health and education are probably the two most important items for any people. I believe this Budget should be a health and education budget! I do not mind borrowing money. On a personal basis, I have had to do that on occasion, but borrowing money must be justified. Not because it is not ours and we are not paying for it out of our pockets, that we do not have to have concern! We have to be concerned, Mr. Speaker, because the people of this country have elected us as their representatives to come in here and look after their affairs.

Mr. D. Kurt Tibbetts: That's right, Johnny, tell 'em!

Mr. John D. Jefferson, Jr.: Mr. Speaker, I learned a long time ago that if you do what you are supposed to do, when you come to the polls you do not have to worry about being re-elected, because the people recognise that you are doing your best. At the same time you are being good stewards. You still have money in the Budget. You have money in reserves in case there is an emer-

gency. They value you and they respect you and they continue to support you.

This cannot go on, this idea that everybody is going to get everything they want, and we do not care how we are going to have to pay for it. At the end of 1998, Mr. Speaker, public debt will amount to about \$100 million. Now I am not concerned that Government does not have the ability to repay it. That is not my concern! I do not even have the concern that Government does not have the ability to go out and borrow it! That is not my concern! I think over the last five years, because of our stewardship, the country is in an impressive financial position. Any banker out there will lend us whatever amount of money we want. That is not what I am concerned about! I am concerned about the attitude that we have to do everything at one time.

Every district in this country has needs, every one. As representatives from the respective districts, you are concerned about getting what your district needs, including you, Mr. Speaker. I am quite sure that you do your best to make sure that Cayman Brac and Little Cayman get their fair share! They have, Mr. Speaker, over the years they have! We have to be in a position, and we have to be men and women enough to say, *'Let's sit down as a group.'* One of the things I appreciate about this sitting, Mr. Speaker, there seems to be more of a sense of co-operation. That is, the ability to sit down sensibly and discuss issues and arrive at favourable solutions. You could take the same approach, Mr. Speaker. We cannot do everything at one time. I am not prepared at this stage to give my approval for Government to go out there and borrow another \$19.5 million. I am not prepared to do that, Mr. Speaker.

The capital side of this Budget—there are some priorities. I have identified those priorities in my Budget contribution. The Hospital must go forward with its completion, equipping and staffing. The Lighthouse School has to be a priority! If we had to go out and borrow money for those specific purposes, I have no problem with that whatsoever. There are too many other things that are tagged on to the recurrent revenue side of it, that push many these items that are so essential into a Loan Bill.

Mr. Speaker, we should be in a position where, even with the new Hospital, we are required to go out and borrow only eight or nine million dollars. Very reasonable! Next year, in next year's Budget, we will not have to worry about the Hospital. That will be completed, hopefully. I must say, the contractors are doing a fantastic job completing that project. Next year we can look at other projects much more objectively.

We need to prioritise our projects, our needs in this country. What cannot be done this year, Mr. Speaker—I know it is quarter to. If you want to take a break that would be fine.

The Speaker: Would this be a convenient time for the luncheon break?

Mr. John D. Jefferson, Jr.: Thank you, Sir.

The Speaker: We shall suspend until 2.15.

PROCEEDINGS SUSPENDED AT 12.43 PM

PROCEEDINGS RESUMED AT 4.07 PM

The Speaker: Please be seated. Proceedings are resumed. Debate on the Loan Bill continues, the Third Elected Member for West Bay continuing.

Mr. John D. Jefferson, Jr.: Thank you, Mr. Speaker. When we took the lunch break, I was dealing with the priorities I am prepared to support in this year's Budget. I would like to list what I think are the priorities. I believe that if we did only these in 1998, it would probably be sufficient work for Public Works to accommodate. That is a significant consideration, Mr. Speaker. It is no good for us to put thirty-five or forty million dollars in the capital Budget and expect Public Works to do it, because Public Works is responsible for managing the capital projects, when their ability might be only ten or fifteen million dollars for the year.

I listed as my priorities, as I see them:

- complete and equip the new Hospital—and we had some figures that were given to us: Medical equipment, provision was put in for \$2 million; to continue the construction of the new Hospital, \$4.9 million; so I have no problem supporting borrowing for that purpose.
- a provision for the new Lighthouse School, and that is at the top of my priorities, Mr. Speaker.
- a new primary school, multi-purpose hall for the West Bay District and for the George Town District, a new primary school. The people of West Bay definitely need and deserve consideration for a new civic centre. In our conscientiousness, that is the Members from West Bay, Mr. Speaker, we put a provision in this year's Budget of \$750,000. That will put us in a position where we probably can go to tender; we can probably award the contract; and hopefully construction will start on the project sometime late next year.

In my Budget address, I mentioned that after reviewing the projects I saw in the capital side of the Budget, they are all essential services and facilities, but I do not believe that if we are in a position where we have to defer some of these in the interest of good management or good government, and in consideration of ensuring that we do not become carried away with public borrowing, because it is very easy to borrow money. After that we have a problem.

- The other thing I think is a priority, and there is a provision in the Budget for that—I must congratulate Public Works and the Minister for Communications and Works for the fantastic job they are in the process of doing regarding the Harquail Bypass. I understand that the estimates on the project were about \$7.5 million. By them doing it themselves, we are probably going to end up saving a million dollars.

- The other priority as far as roads are concerned, Mr. Speaker, is that we have to provide some relief for traffic coming from the eastern districts. I am prepared to vote funds or support borrowing for a bypass, I think, according to the Honourable Minister, the Crewe Road Bypass. I understand that may run as much as \$6.5 million. I believe that is a priority. The public wants it. I have had the experience myself of having to come from that direction and unless you get on the road before 7 o'clock in the morning, it is bumper-to-bumper for miles until you can get into George Town. I think traffic is a real concern to our people. Anything we can do to eliminate that, we should support.

I believe that all those priorities I have outlined can be accommodated in this Budget—can be accommodated with, should I say, reasonable borrowing. That means that some of the projects we have in the Budget might have to be pushed into 1999. I am prepared to support that. I believe that here we have to be responsible, we have to be conscientious, and I believe that our people understand more than we probably give them credit for, in that they recognise they need facilities. They recognise that they need projects, capital projects. I still believe that our people want us to be wise, prudent and disciplined to say, *'Yes, over a time, we will provide those services and facilities for you, but we cannot do it all at one time.'*

I mentioned before the lunch break that one of the projects we have been talking about for West Bay, that we just had the privilege of seeing open back in October was a new health clinic for the District. A District health clinic! It took us eight years, at least from my standpoint—the First Elected Member was here before me. I am quite sure he probably recommended it long before that. It took us eight years to accomplish that. Now we have a facility that the people of West Bay can be justly proud of, and it was an expenditure we could comfortably accommodate in our Budget.

After next year, Mr. Speaker, there is going to be room on the capital side of the Budget for some of the other projects we need to provide in this country. The unfortunate position the National Team has found itself in is that previous governments have done so little to provide facilities that are necessary, that now we have to play catch-up. Even taking that into consideration, we still need to move forward on a prioritised basis as far as the projects are concerned, and we need to do those things we feel are the most essential at this stage.

I trust that the Government will be prepared to sit and revisit some of the projects they are proposing we finance this year, with a view to reducing the amount we have to borrow. I believe that is very possible, if we all maintain an open mind and an attitude of co-operation. I am considering the interests of the people of these Islands. Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? We have approximately ten minutes until normal adjournment.

Mr. Roy Bodden: Mr. Speaker, under Standing Order 38, I move that the question now be put.

The Speaker: If no other Member wishes to speak—I hate to deprive any Member of the opportunity to speak, and I would like to protect the minority, but if no one wishes to speak, I shall. . . This is my last call. Does any other Honourable Member wish to speak? If no other Member wishes to speak, does the Honourable Member wish his right to reply?

Hon. Truman M. Bodden: Mr. Speaker, as I understand the closure motion, it also deprives the Financial Secretary of winding up the question.

The Speaker: I am not invoking the closure motion. I gave an opportunity after that.

Hon. Truman M. Bodden: I am sorry, Sir?

The Speaker: I did not invoke the closure motion.

Hon. Truman M. Bodden: Oh, I am sorry, Sir. I beg your pardon.

The Speaker: Does no other Member wish to speak? The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker. This Loan Bill, **“a Bill for Law to authorise the borrowing of up to \$19.5 million for the financing of specified capital projects,”** so far has had much varied debate. It has been obvious from the contributions made that there is a very definite concern as to the amount of borrowing in which the country presently is engaging. I too have some major concerns, Mr. Speaker. I have aired some of those concerns in my contribution to the Budget address by the Honourable Financial Secretary, the Third Official Member, but I will attempt, in my contribution, to outline some of the specific areas which show, in my mind, reason for concern.

It has been said by the Leader of Government Business that the Budget is a balanced budget, and so that I do not misquote his reasoning for saying it is a balanced budget, I wish to quickly quote what the Minister said. In his very beginning this morning, he said, **“Thank you, Mr. Speaker. The Loan Bill is an integral part of the Budget that has just been passed, and one which is moderate. It is clear that the loan is in relation to capital projects, not recurrent projects. This is the difference: A balanced budget is when the recurrent revenue exceeds recurrent expenditure, and there is a surplus on the recurrent account.”** I want to repeat that, Mr. Speaker. **“A balanced budget is when the recurrent revenue exceeds recurrent expenditure, and there is a surplus on the recurrent account. We have that, Mr. Speaker, in that \$14.5 million will be contributed to capital and to capital projects.”** In two minutes, Mr. Speaker, he made two grave errors. He said the

Budget is balanced, and without taking a breath, he said, **“\$14.5 million will be contributed to capital and to capital projects.”**

Mr. Speaker, when I contend that the Budget is not balanced I am taking into account the expenditure that is obvious the country will have to go through within the fiscal year. In broad terms, if a budget is balanced for the next fiscal year, to me it means that what your earning power is and what you are going to spend will at least equate, if not being left with some savings.

I intend, in my contribution, to show several areas—certainly not all of them, but enough of them—to prove that what is stated in the Budget, and certain amounts in the Estimates, are known to be incorrect at this point in time, but have simply been put in, to make sure the equation works right. It is done with the knowledge that those amounts will increase before the year is out, because those amounts will not take care of the projects they are calling to take care of. Not only the projects! There are some recurrent amounts in the Recurrent and Statutory section of the Estimates, which, as was very obvious with the amounts put in originally for the Social Services Department, will prove that they are insufficient.

MOMENT OF INTERRUPTION—4.30 PM

The Speaker: Honourable Member, we have reached the hour of 4.30. I realise you will not be finishing shortly, so I would entertain a motion for the adjournment.

ADJOURNMENT

Hon. Truman M. Bodden: Mr. Speaker, I move the adjournment of this Honourable House until 10.00 AM tomorrow.

The Speaker: The question is that this Honourable House do adjourn until 10.00 AM tomorrow. All in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it.

AT 4.30 PM THE HOUSE STOOD ADJOURNED UNTIL 10.00 AM FRIDAY, 12TH DECEMBER, 1997.

**EDITED
FRIDAY
12TH DECEMBER, 1997
10.30 AM**

The Speaker: Prayers by the Elected Member for North Side.

PRAYERS

Mrs. Edna M. Moyle: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed.

ANNOUNCEMENTS BY THE SPEAKER

APOLOGIES

The Speaker: We have apologies from the Honourable Minister for Tourism, Commerce and Transport and from the Third Elected Member for George Town.

Government Business, Bills. Continuation of Second Reading debate on the Loan (Capital Projects 1998) Bill, 1997. The First Elected Member for George Town continuing.

GOVERNMENT BUSINESS

BILLS

SECOND READINGS

THE LOAN (CAPITAL PROJECTS 1998) BILL, 1997

(Continuation of debate thereon)

Mr. D. Kurt Tibbetts: When we adjourned yesterday afternoon, I had just read a portion of the debate on this Loan Bill made by the Honourable Minister for Education, where he spoke about a budget being balanced. He also mentioned that there was a surplus on the recurrent account of \$14.5 million, and said that this \$14.5 would be contributed to capital and to capital projects.

I am long past the days of going to school, but I respect the fact that each day provides another opportunity for me to learn. I have noticed that whenever that Minister wants to persuade the public of this country that a situation is a certain way, or the way he wants them to believe it, he preaches his sermon and repeats himself continuously with the hope that as many times as the people of this country hear it, they will simply believe it. I daresay he has been doing that for 20 years.

Mr. Roy Bodden: Twenty years too long!

Mr. D. Kurt Tibbetts: Perhaps that is why he does not want to change anything.

In Table 2A of the Estimates it clearly states that of the \$14.5 million surplus on the recurrent account, \$1 million out of that \$14.5 million is termed as a "contribution" to the general reserves, \$.23 million is going to the Housing Reserve Fund, and \$8.99 million is a statutory contribution going to the Public Service Pension Fund. All three of these figures added together have to be taken out of the \$14.5 million before anything can be put towards the capital projects for the year which leaves recurrent revenue available to fund capital development of \$4.03 million.

It is important that the public understands that it is not \$14.5 million of recurrent "profit," as he terms it, going to the capital—it is only \$4.03 million. The almost \$9 million that is going to the Public Service Pension Fund was a decision consciously made by the Government with the knowledge of the Backbench. If this is not done the contingent liability is simply going to get more out of hand than it is at present. We understand what has to be done with that and we do not have any complaints, but it is wrong. It is facetious of the Minister to make the public

believe that we have \$14.5 million to put towards capital before we start to talk about any borrowings.

One thing that I am not going to do, because I have too high a regard for the public of this country, is stand up in this forum and try to say anything that I know not to be the truth. Neither will I stand up and try to paint a picture the way I want it to be understood by the public by simply telling them a half-truth, or less. I will come to that point right now.

Mr. Speaker, during his contribution, the Minister tabled this wonderful little piece of paper where he had figures of the surplus and deficit account. To suit him and his Government he went on during his debate, and I will quote him. . . and, by the way, this is another thing where he is trying to put a mind-set on the public of this country by repetition. I counted seven times that he repeated these figures before he finished. Here is what he said: **“What I would like to do now, because a lot has been said about where Government is and is not. . . we can speculate and give estimates on what is happening, but facts are facts and I am happy to either lay this on the Table or give Members copies of it. But the actual figures to the 30th September, 1997, showed recurrent revenue of \$163,754,000; the recurrent and statutory expenditure was \$144,712,000, giving a recurrent surplus of \$19.042 [million] the difference between the revenue and the expenditure was \$19,042,000.”**

Here is what he did to try to convince the people of this country that everything was Kosher: We are in the month of December. The financial year for the Government of the Cayman Islands is from January 1st until December 31st of any given year. Those of us who have had the experience know full well that to arbitrarily pull a figure at any given time during the course of the year never paints a true picture of the financial affairs of the country. Payouts on behalf of the Government are done in order at various times of the year. When these figures for September were copied to us yesterday, had we not known any better we would have said, *‘Gee, things are really nice.’*

Let me go back to the Estimates to prove my point. The 1997 Forecasted, Revised, Accumulated Surplus Balance for December 31st. . . it is forecasted because we are not at December 31st yet. The reason it is forecasted is because the people in the Department of Finance know exactly what Government has to deal with before year end. It is quite easy for them to extrapolate those figures to come up with a fairly accurate forecast. That figure, unlike the \$19.042 million the Minister spoke about yesterday, is projected to be \$900,000. That is not even 5% of the surplus the Minister spoke about yesterday. Do you see my point? The Minister takes the end of September in order for it to look wonderful, when we know full well that at the end of the year we are going to have less than \$1 million surplus. If that is what he considers his job to be, so be it. I will let the people decide.

I am a reasonable person. There are times when the Government forecasts are not exactly as they are expected to be when it is all over. I am going to quickly

quote some figures just to show the track record the Government has with their forecasted figures. It will prove my point.

In 1992 the Estimates called for \$152.9 million to be spent. The revised end of year figure (which is what we call the ‘actual’) was \$154.4 [million]—less than \$2 million difference. In 1994 the Estimates called for \$157.2 [million], and the end of year actual was \$156.3 [million]—less than \$1 million difference. In 1995 the Estimates called for \$177.9 million, the actual end of the year was \$181.9 [million]. In 1996 it was \$202.7 million, the actual was \$205.6 [million]. In 1997 it called for \$255.5 [million], the actual was \$250.676 [million].

If you look at the track record. . . and as the years go by and the Budgets get bigger they have to fine tune it as certain new things come on stream. I understand all of that. Using these figures (and nobody has to even remember the figures) there is less than a .5% variation in the Estimates with the actual amount spent on most occasions. What I have quoted since 1993 bears true. It is a fair assumption that at the end of the year the \$.9 million surplus projected will not vary to any noticeable degree.

It may not seem important, and I know we are talking about the Loan Bill, but it grieves me to know that anyone would try to paint the Government’s picture in such a fashion to have the people of this country saying, *‘We are in wonderful shape. So-and-so told us last night on the radio,’* . . . when it is not so! If what I am saying is not right, or there is no merit to what I am saying. . . unlike the Minister yesterday, I will give way right now for anyone from the Government, or any Official Member to refute what I just said. *(Pause)*

I do not see any movement, so I guess they do not care to try to refute it.

Mr. Speaker, the figures I just quoted also serve another purpose. From 1993 to 1998 (five years), the Budgets have successively increased in this country to the tune of over \$120 million. I am by no means suggesting that the obvious trend every year will be to not have an increase in the Budget. Not for a second. If we bear all of the natural factors in mind, it must happen. I accept that. I also accept that we will have continued growth in our Budgets if our economy is fairly buoyant and there are capital projects that the country is always playing catch-up with. I do not have a problem with that.

Let us compare now, apart from the various Budgets from 1993 to 1998, the borrowings. In 1993, \$17.5 million was borrowed. So that no one thinks that I am trying to skew my argument, I immediately accept that the vast majority of that amount was the loan for Cayman Airways which was being negotiated from 1992. The fact of the matter is, whether it was being negotiated in 1992 or 1982, the country started to owe that money in 1993. Whoever wants to lay blame for borrowing that money, the country still has to pay it back. They can kick up whoever they want to kick up, the country still has to pay back the money. It does not matter about who, or why, or where, or when. The fact is that in 1993 \$17.5 million was borrowed.

In 1994 it was the meagre sum of \$4.7 million. In 1995 it was slimmer yet, \$1.8 million. In 1996—Election year, Mr. Speaker!—it jumped from \$1.8 million to \$22.4 million. The year 1997 is post election. . . and I have heard all kinds of arguments in here. There is no election right now, so let us get on with the job. But after election year of 1996 with \$22.4 million we move into 1997, and the figure is \$25.8 million.

The year 1997 is just about over. The Yuletide season is here. So we get another black-top document. *'O.K. fellows, here it is. Nice and juicy, a wonderful Budget.'* The borrowings call for \$19.5 million. I am only sorry that the Minister is not here, because if he thinks that I only want to talk behind his back, he has another guess coming. If he had been left alone yesterday, he would have added to that \$19.5 million too. He might still try to do it. Then we will see who has good sense in here.

There was a trend, Mr. Speaker. The argument is salient because we are discussing the Loan Bill. I hear his footsteps, that is why I just said what I said.

The reason I am using these figures is to come to the reason why I am not prepared to support this Loan Bill. Let me tell you what I see is wrong with the way it is being done. When it comes time to do the Budget, the first thing to be done is to notify the Department Heads. They are asked to send in their itemised estimates of what it is going to cost to run their departments through the course of the financial year. Then, after all of that is gathered, the Financial Secretary and his staff prepare an estimate and a projection of how much money the country is going to earn that year. Then the rest of the gang is called in.

So we now have what it is going to cost to run the various Government departments for the year, we have personal emoluments included and everything else. Then we have how much we think the country is going to earn. We try to figure out if any money is going to be left over at the end of the year and we take that into consideration. Then we start to get the wish lists from the gang and what they consider to be the most needed projects in their districts.

I venture to state here this morning that what has never, ever been done in this country is for someone, or some group of people to say, *'Let's look at the overall picture. Let's look at the overall numbers. Let's look at how we want to see ourselves five or ten years from now and take what we have to work with and head towards that.'* If it has been done, or even thought about being done. . . in five years I have never seen the results. Mr. Speaker, that is where we are going wrong.

Mr. Roy Bodden: True!

Mr. D. Kurt Tibbetts: That is why I am no longer prepared to support any Loan Bill for this country until I see hard evidence that there is some type of sensible planning for the future of this country.

Mr. Roy Bodden: Visions, and visions, and visions.

Mr. D. Kurt Tibbetts: I had an experience just a few days ago, and it comes back to the argument the Minister for Education brought yesterday about what a balanced budget is. I want to quickly repeat what he said a balanced budget is. He said: **"A balanced budget is when the recurrent revenue exceeds recurrent expenditure, and there is a surplus on the recurrent account."** At least four of us (possibly five) do not know anything about this Budget until we see it. (If it is five they can raise their hands. I know I can raise mine.)

There is trouble in the camp. We have been presented with this wonderfully balanced budget, Mr. Speaker, but this is how they balanced it: When we go into Finance Committee and we looked at the previous Estimates. . . and I am going to isolate one department—the Department of Social Services. The poor woman who had to come down to bear witness to us ugly fellows on the Backbench can only tell the truth. She cannot do anything else. It is her job.

When the Social Services Department sent in the amount, based on the history of their department that they thought they would need to operate this year, the section for housing throughout the islands asked for \$478,000. I am not in a position to say whether that figure was a bit much, whether it was reasonable, or whether it was not, but it was based on the track record they have had over the past few years with requests for indigent housing in the islands. What came out in the final document instead of \$478,000, was \$165,000, or something like that.

Then, in their other section, I think it is called Temporary Assistance, for people in the country who face hard times. This is not the \$200 per month business. This is where people find themselves in hardships at various times during the year, either by losing their job or something with the children, sickness. . . . Social Services does their assessment and if it is genuine, they assist the people of this country the best way they know how. Social Services, based on the track record they have had, asked for \$543,000 in that category. What came out in the final document for that. . . .

I just made a mistake, Mr. Speaker. The Housing was not \$165,000. Housing asked for \$478,000 and ended up with \$50,100. In the Housing they asked for a total of \$478,000 and they got \$50,100! In the other category for Temporary Assistance, they asked for \$543,000 and got \$165,000. That was changed. They got everybody together and started to juggle the figures. That was changed because they knew full well that it could not work. I will be a monkey's uncle this morning if the intention was not to balance that Budget. No one had said a word, knowing full well that by April or May a contingency warrant would have to be signed to give them money to operate with, and then whenever Finance Committee met (if it were December 30th or 31st) they would bring it here for us to rubber stamp it. That is the way it has been going and it is wrong!

Mr. Roy Bodden: Dead wrong.

Mr. D. Kurt Tibbetts: I am not finished yet. Who wants to jump up and down and act tough?

Mr. Roy Bodden: Make them uncomfortable. Light the fire under them.

Mr. D. Kurt Tibbetts: Here we are. Today is December 12th. The Budget has just been approved. The Honourable Minister for Education, Aviation and Planning swears it was unanimous. He can use all of his legal terms to prove that, but he must have deaf ears with all the arguments he had about it, since it was so unanimous. Anyway, that is. . .

Hon. Truman M. Bodden: Mr. Speaker, on a point of order.

Mr. D. Kurt Tibbetts: Mr. Speaker, that Minister taught me something yesterday when he would not give way. I am not giving way today.

The Speaker: He is rising on a point of order, please.

Mr. D. Kurt Tibbetts: Mr. Speaker, he would not give way yesterday on a point of order for the Third Elected Member for George Town.

The Speaker: This is not a question, he is rising on a point of order and I must hear it. Please take your seat.

POINT OF ORDER (Misleading)

Hon. Truman M. Bodden: Mr. Speaker, it is a misrepresentation of both what I said and what was stated as fact. What happened, Sir, is that in the Finance Committee all 27 Heads (I think there are 27 Heads) which were voted on in this Legislative Assembly, went through unanimously without any 'Noes'. In the Third Reading of the Appropriation Bill there was a division of six Ayes and four Noes. What I said was that the Estimates that were dealt with in Finance Committee passed this House unanimously, and those are the facts, Sir.

The Speaker: Thank you.

First Elected Member for George Town, please continue.

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker. Semantics. I, too, understand the Queen's English. I know that the public understands the way I explained it too. He can run his mouth all he wants.

Mr. Roy Bodden: He just lost his job!

Mr. D. Kurt Tibbetts: He, too, has a knack for breaking one's train of thought.

Getting back to the situation with the Estimates and the balanced budget business: I contend that as long as I have been here—barring no time—the Estimates have

come to us in Finance Committee with the Government having full knowledge that there were areas where the allotted funds were inadequate, and they also had full knowledge that they would have to come back for supplementaries during the course of the year. If anybody can squeeze out of that the word 'balanced' . . . then, I guess I will have to change my name.

Mr. Roy Bodden: True! Talk the truth.

Mr. D. Kurt Tibbetts: If you use the word 'balanced' in the way the nine-degree person uses it, what it means is that the figures add up right. What I call a balanced budget is a true budget; when it comes to me I know that, barring unforeseen circumstances, what is in it is totally reasonable.

I used a figure for the Social Services Department to show the people of this country that what I am saying is right. It has to change. It is simply not the truth. The day is going to come when all of the anticipated excess revenue in this country that they patch everything up with during the course of the year is not going to be there. What are we going to do then?

By that time some of us will be ready to go home. *'Leave it to those fellows. Let them have the worries.'* No more! Even their own Backbench understands it now and they are not prepared to deal with it.

Mr. Roy Bodden: A leader with no followers.

Mr. D. Kurt Tibbetts: I am going to get on to the capital section because the Minister mentioned a balanced budget and he only dealt with recurrent revenue and recurrent expenditure. If the capital section is not part of the Budget, I want to know where it fits in. It must be something that drops out of the sky.

The November 12th document, in the details of Capital Development by Classification and Project (The argument came up before but this is where we talk about this supplementary business. God forbid they ever invented the word.), the Honourable Minister for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation was not present when I asked a question about the 1998 Estimates for the continuing construction of the George Town Hospital. For 1998 there is \$4 million in the Estimates. The hospital contract is due to be completed August 1998. Within reason there may be some few extensions. . . . The difference in the whole *fyah-fyah* argument they are bringing is not about a few days or a few weeks. I understand that can happen. But if the contract is due in August, and you are involving yourself with prudent, fiscal management you must have in your estimates what it is going to take to pay out that contract if it has to be paid out in August. If you say your retention fee is going to go to January or February of next year and you are squeezing it tight, take out your retention fee—no problem—but it is short \$2.5 million in these estimates to pay out the contract to the contractor.

None of them over there can tell me that they know when the hospital is going to be finished. They only know

what the contract calls for. You cannot live your life assuming that you are going to have extensions to it. What happened if they do not fulfill the contract? What happens to all the penalty clauses on their behalf if they do not do what they are supposed to do? How can we assume they are going to fail? We cannot do that. That is one item that is short in the Budget.

Mr. Speaker, here is another item: Construction of the Crewe Road Bypass. Nobody is arguing that the Crewe Road Bypass is not a very necessary part of the infrastructure. Nobody is suggesting it should not be done. We are dealing with this supposedly wonderfully balanced Budget. There is \$200,000 in the Budget for 1998 for the Crewe Road Bypass. Unless I did not hear it right, the Minister responsible said sometime earlier on that it was his understanding that they were going to seek loan funds to complete the Crewe Road Bypass. If that statement is not correct, I am happy to give way to be corrected. That is what I understood.

The Crewe Road Bypass is expected to start in the coming year. The corridors have been gazetted, I understand. When that Crewe Road Bypass is started, it is going to be considered such an important piece of infrastructure for the people who live beyond the district of George Town that Government is not going to have any choice but to see it through. If there is only \$200,000 in this Budget for 1998, I wonder where the money is coming from to continue it. I will not be so bold as to say that it will be completed in 1998, although that is not impossible; but I will be bold enough to say that if it is estimated to cost \$6.5 million we are going to need at least half of that during 1998 because nobody works for nothing anymore. If Public Works is doing it, it will still cost something for them to do it—they will have to pay men, they will have to keep their equipment up, they will have to buy material from private people. They will need the money. So, the \$200,000 in here is like me taking a glass of water and dropping it in Hog Sty Bay, hoping to get it back out of the sea water there.

George Hicks, phase II construction: We had some juggling of figures there. That is a very needed thing. I am not going to try to make a point out of that one.

The very next one I am going to show is the construction of the new offices for the Department of Agriculture in Lower Valley. In the 1998 Estimates, it is \$400,000. Projected to be spent in 1999 is \$260,000. The Minister has stated that it will probably cost \$1 million to do the entire project. It is also expected that the project will take about 26 weeks to complete. It is also expected for the project to start very early in the new year of 1998. There is \$400,000 in the Budget. The year 1998 (like every other year) has 52 weeks in it. If it is going to take 26 weeks to complete the project and it starts early in the year and is going to cost \$1 million, we are going to need \$600,000 more in 1998.

So that what I am saying is clear, I am not disputing the worthiness of the projects. That is not the point. The point is that the Estimates is a cat-and-mouse game, a game of chance. If anything goes wrong no one will be able to keep us right the way that we are operating this

country. The Financial Secretary is a man of prayer—oh, how he needs it!

However many times they come back. . . this is another little ruse they use, by the way. They come to you, and after you fight and argue about it they bring you a whole pretty list of capital projects they are going to do for the year. First of all, the reason they bring that long list of capital projects within the district is to satisfy the crew.

Mr. Roy Bodden: Parochialism.

Mr. D. Kurt Tibbetts: That is to satisfy the crew now, so they can get them off their backs. When you privately ask them how we are going to do all of these things, do you know what you hear from them? *'We know we can't finish all of these things. What's wrong with you?'* (Members' Laughter)

We see projects that have been in the Estimates for three, four or five years that keep coming back. Money is put in, but they are not done. We hear the representatives for West Bay crying almost on bended knees about a second school because the children are climbing all over each other.

It is not my intention to offend anyone, Mr. Speaker, but I am going to speak the truth here. Just look at what we call priorities now: The Minister for Education has stated that a new West Bay Primary School and a Lighthouse School are the two major priorities for the year. But we have \$450,000 in the Estimates for a second Civic Centre for East End. When I look at the way these Budgets are done the only conclusion I can come to is that the country's money is manipulated to buy loyalty and to keep the troops in line. It must stop! It has to stop!

I am getting older too. I am not quite finished yet, but I do not want to be standing up in here (if the people allow me another opportunity to represent them) saying the same thing over and over again. It has to stop!

Mr. Roy Bodden: True!

Mr. D. Kurt Tibbetts: Do you know the worst part about it, Mr. Speaker? They know it!

The Civil Service is there with all the expertise that they need. It is the fault of the policy makers—that is, the elected arm of Government, not the Civil Service. The Civil Service is simply the mechanism to carry out the wishes of the policy makers, to ensure that their wishes are carried out in a correct fashion based on all the things they have to go by so that they do not do anything wrong. That is the way it is interpreted. But their job is more than that, if they would give them a chance.

You know my little sing song about the Medium Term Financial Strategy? And we are talking about a balanced Budget and another Loan Bill? The Medium Term Financial Strategy. . . if it has not been completed and revised five times, it has not been done once. It is still not tabled here yet. I know the Financial Secretary has given assurance that it is going to be this time, but as he well knows, Kurt Tibbetts will not stop talking about it until he sees it on the Table. That is the only time I will believe it!

This Loan Bill will probably see passage. . .

Mr. Roy Bodden: It will just squeeze through.

Mr. D. Kurt Tibbetts: . . . just for the country to be able to function. I will tell you this: I was no part of the preparation process. I totally disagree with that preparation process and I will have no hand in the country borrowing one cent more until they change and mend their ways.

During his discourse, the Honourable Minister for Education, Aviation and Planning started talking about economic cycles in the country. He said, and I quote, **“In the past, the economic cycles in this country went up and down every two to three years, and that was during periods when I was in government in the past, and I am not referring now to any specific government, but the economic cycle of a boom to recession basically came every two to three years. Thank the Lord we have had about four good years now, and there is no reason, as I see it, for that to change in the future.”** Mr. Speaker, I never cease to be amazed.

The lips from whence these words cometh have occupied these halls for 20 years. [He has] as much experience as you could want in any human being in this field—in fact, too much. History has continually proven that the economic cycle from boom to recession is about every two or three years. That is what he said. This one now has gone on for four years. Obviously, this is the only time it has happened. With all of the other track records we have available, and this one time it went on for four years. . . Which one is the fluke? This one, or the rest of them?

Mr. Roy Bodden: (Laughter)

Mr. D. Kurt Tibbetts: There is a reason I am saying what I am saying. I thank God that it has gone on for four years. Obviously, we cannot be stupid enough to believe that it is going to continue. We must prepare.

He went on to say: **“At some time it will plateau out, and that is something to be expected. But at present and the foreseeable future, the position looks good.”** My God, Mr. Speaker, how far ahead can he see?

The point is that if we have historically had a recession every two or three years, however slight or major it is, and this time around we have extended it to four years. . . and do not let anybody fool you into believing that we control that. You and I know better. Maybe when we go into the Common Room you can explain it to them, but I know we know better than that. It is not we who control all of that.

If by chance the forces that assist us allow it to go on for four years, must we sit down and say (because it has gone on for four years) that the foreseeable future will stay like that? That is crap! (I know that is not a word I should use, and I am sorry.)

The Speaker: It is unparliamentary language.

Mr. D. Kurt Tibbetts: It will be said when I am through that I am picking. But I am not. The lesson has to be learned. I will tell you something else too. Recent experience has taught me two things: One (and it took me a while because I am as ordinary as the next man), I will never stand or sit in this arena and let anyone intimidate me again—ever!—with any scare tactic or any other means. And there is something else I learned very recently, we do not have any one-man armies inside here at any time.

Mr. Roy Bodden: True! And we are not giving up leadership to those who have not won the battle.

Mr. D. Kurt Tibbetts: If anyone thinks it is going to work like that again. . . If they believe in reincarnation, fine, but until then, no way.

I do not want anything from anyone. I do not have any hidden agenda; nobody has to make me any false promises or true promises. I only want the opportunity to be the best representative I can be for the people of this country. That is all! I am not going to allow anybody to prevent me from doing that. I will give allowance for any variance of opinion. I have no problem with that. We will not always agree, but no one is going to shove anything down my throat any more under any circumstance—budget, loans, or anything else.

If the Government wants to do right what it should do is take some of the preaching that has been going on here for several years now and put its priorities right to benefit the most people in this country; not try to tie up loose ends mid year and at the end of the year.

Oh! I forgot. I was talking about the financial year, Mr. Speaker, ending 31st December. Let me tell you what this country has been relegated to, and they talk about prudent fiscal management. The Minister did not want me to say it a while ago that is why he distracted me, but I just remembered it. I was saying that the financial year for this country is 1st January to 31st December. Here we are in the Yuletide season, the Budget has just been approved (that is what I was saying). In the month of July (I am not sure whether it was reported by the reporter facing me today or another reporter for the *Caymanian Compass*), the Leader of Government Business was quoted as saying that there would be a meeting of Finance Committee called in a couple of weeks to deal with certain matters. If I am not mistaken, one of those matters was the Lighthouse School. This is December. The Budget for the next fiscal year is just about finished, except for this Loan Bill, and that Finance Committee has not been held yet.

It was supposed to be held in the month of July. If it comes sometime before 31st December (if we are lucky) that is when they will call the clean-up exercise.

The agenda had to be prepared around the time the Minister said he was holding the meeting, so if not in July (depending on what time—he said a couple of weeks later he would have the Finance Committee meeting, or, rather, it would be held). . . well, let us say it was prepared in August. They have had an agenda since August

and four months later they are going to do the clean-up exercise. This Budget, these Estimates had to be done on the premise that everything in that agenda for that Finance Committee would be passed and approved, if it had not already been spent. I do not know, it may be spent, and may need a rubber stamp the size of me!

As disjointed as some of my arguments might seem, I think that I have proven beyond a shadow of a doubt that the management of the country's money is not being handled in a prudent fashion. It is incumbent upon the Government to totally change its style if it is going to be the responsible Government it should be.

Mr. Roy Bodden: That they profess to be.

Mr. D. Kurt Tibbetts: They cannot profess that any more.

They should be quite willing to mend their ways, listen to the professionals who know, and be prepared to do what is right for this country. Perhaps if we could see some sort of future planning, rather than money being spent left, right and centre, not knowing how disjointed it is going to be at the end of the day, we might not feel uncomfortable with borrowings.

The Honourable Minister for Education, Aviation and Planning, the Leader of Government Business, said that the amount of money that has to be used out of recurrent revenue to pay back the public debt is only 6.8% of that recurrent revenue so it has not reached the magical figure. He says it is way below the magical figure. I know that. But for the last three years it has inched its way up. Do you know what that leads me to believe? That he figured he could go on and on until it reached that and by that time he would be ready to quit and people like me would have to deal with it. No way!

Their way of operating is going to stop now. Do you know what, Mr. Speaker? The people of this country know it. I will leave them alone until they bring the next Loan Bill and see the way they present it. But they will do this one without me.

I am going to make a prediction: Before fiscal year 1998 is over this country is going to need a minimum of \$15 or \$20 million of supplementary expenditure to keep everything going. That will be in the *Hansards*. That is why I am saying it here today. The only reason it will not happen is if some bright soul on the Government Bench stops the capital projects just so that I cannot say that again. How they want to handle it is up to them.

The Speaker: Would this be a convenient time to take the morning break?

Mr. D. Kurt Tibbetts: Yes, Sir.

The Speaker: Proceedings are suspended for 15 minutes.

PROCEEDINGS SUSPENDED AT 11.30 AM

PROCEEDINGS RESUMED AT 12 NOON

The Speaker: Please be seated.

The First Elected Member for George Town continuing.

Mr. D. Kurt Tibbetts: During that short break I remembered two other items in the Estimates that I think are worth mentioning in order to reinforce my point about the figures provided in the Estimates not being accurate.

The first one is the construction of the Visitor's Centre at the Pedro St. James Castle. The Minister responsible stated that that project should be completed sometime in May or June of 1998. The amount in the Estimates for this project is \$1.1 million, which is a spill-over of the loan from last year. The question was asked earlier regarding the total cost to pay the contractors when the Visitor's Centre is completed. To date, I have not received an answer. It can only lead me to assume that the \$1.1 million in the Budget is insufficient. The truth of the matter is that although the project will be finished by mid-year 1998, there is \$1.146 million projected for 1999. Maybe the contractor will wait a year to get paid. There can be no mistake about what that money is for 1999, Mr. Speaker, because the Minister stated that funds to operate the Pedro Castle project were already placed elsewhere in this Budget. That leaves me to believe that in order to balance the Budget the funds were spread over two years knowing full well that all of the funds would have to be paid out in 1998. If I am not correct, I will give way now to be corrected.

The last example I want to use is one where there seems to be a fair amount of argument. It is the Lighthouse School. In the Estimates it says, "**To construct a new facility for 150 students at the Lighthouse School in Grand Cayman**" and there is \$1 million for 1998. I think we all want to see this facility completed as soon as possible. I know that a site has to be identified. I know that plans have to be drawn. I know that the Minister is very anxious to get the project underway.

If the will which is supposed to be there is there, then, certainly, more money than this would have been provided in the Estimates to carry that project through to the end of 1998. The Estimates provide for \$1 million in 1998 and \$2 million in 1999. The project certainly cannot take that long to complete once it gets underway. The Estimates for the facility (while no one knows exactly what it is going to cost) vary between \$3 million and \$5 million. Because I know it is the will of this House to see that project completed as soon as possible, once it gets underway no one is going to get in its way which will mean more supplementary funding for that project.

In all of this is the glaring fact that there are many, many figures provided in these Estimates that the people who created those figures well know are not correct. What that means to people like me on the Backbench (and I might not be able to speak for all, but I speak for several of us) is that whether we approve or not, at this point in time we still do not know the true position of the country's finances. We can know what money is expected to be had and we can know some of what will be

spent, but we have no idea as to what the true picture will be.

I wish to come back to one last point about borrowing since we are dealing with the Loan Bill. When the Honourable Minister for Education was making his pointed attempts to convert the people of this country with the information he was trying to provide, he also stated, and I will quote him: **“We have, between 1993 and 1997, repaid on principal and interest, \$58,902,190. . .”**

Mr. Roy Bodden: Not true.

Mr. D. Kurt Tibbetts: I am not disputing that the country has not paid that, but he goes on to say, “. . . **so we have repaid a very substantial part. In fact, we have repaid more than we have borrowed over that period.**”

Mr. Roy Bodden: That is not true!

Mr. D. Kurt Tibbetts: Mr. Speaker, I have the figures. If you add up the money that was borrowed from 1993 to 1997, the correct figure is \$72.2 million. It is my belief that when he made that statement he made an attempt to exclude the money that was borrowed in 1993 for Cayman Airways. The way that he lives his life, or the way he portrays that to the people of this country, is that he has no responsibility for that money. I want to know who is responsible for it.

Mr. Roy Bodden: Why is he paying it then?

Mr. D. Kurt Tibbetts: He can exclude that in his thought process, but he cannot stand up and tell the people of this country that we borrowed less than \$59 million during those years. The fact is that we borrowed \$72.2 million. I am not responsible for it! The country is responsible for it. Mr. Speaker, if that is not misleading, I want to know what misleading is.

By 1998 year end, based on what is proposed in the Estimates and the borrowings, the country, without fail, will owe in excess of \$90 million. If there is any truth to what I have been saying regarding the figures that have not been put into the Estimates, it may be more. As I mentioned before in another debate (Although it will be what you call self-financing loans—the country is ultimately responsible for them too.) we do not know if, or when, any of the Statutory Authorities will engage in borrowing during the course of 1998 which will increase the total public debt.

If we want to separate those authorities because they are supposedly self-financing loans, we can do so, but the fact is that the Cayman Islands Government is ultimately responsible for those debts even though the Authorities may be servicing the debts on their own. If anything goes wrong where any of those Authorities cannot service their debt, it falls back on the country. So it cannot be excluded, regardless of how you place it. While it may not exceed the magical 10% of recurrent

revenue to service them, I contend that it is creeping up and creeping up. I do not believe that we should wait until we get to that 10% to decide to do what we should do right and operate this country differently.

Mr. Roy Bodden: Good point. What about future generations?

Mr. D. Kurt Tibbetts: We are not always going to be here. It is totally unfair for us to look at the business of this country in a fashion which only extends to our life in this House or even our lifetime.

Mr. Roy Bodden: Typical selfishness.

Mr. D. Kurt Tibbetts: We cannot assume when the good Lord is coming. I am sure He would agree with me in saying that the least we can do while we are here is to do it right and prepare for the future.

Mr. Speaker, I believe that if we are going to be able to continue to relate a success story about this country it is incumbent upon each and every one of us as legislators, whether Backbench or Government, to look to the future well-being of this country and not just get up every morning and react to whatever we have to deal with. We cannot continue to do that.

In closing, let me simply say that my reason for not supporting this Loan Bill is based on the fact that I believe we are handling the finances of this country incorrectly. I am simply saying that we have to stop living the way we have been. I trust, regardless of whatever personal attitude might prevail, that my points, which I know are relevant, will be taken the way I wish them to be—which is to simply expose the bad way in which we are doing the business of this country. We have to stop it!

Until I, as a representative of the people, see it being handled in a fashion which I feel more comfortable with, I will never, ever support anything else the Government proposes to do with the finances of this country regardless of what reason it comes for. They must demonstrate to me and to the country that they are doing the business of this country in the proper fashion.

Thank you.

The Speaker: It is our intention to suspend at 12.30. In view of the fact that we only have nine minutes to go I think we should suspend at this time until 2.15 PM.

Mr. D. Kurt Tibbetts: Mr. Speaker, if I may, Sir. Yesterday afternoon there were only seven minutes left and someone had to get up and speak. I contend that there is more than that left, Sir, and if you are going to close at 12.30, someone should get up and speak if we want to get the business of the House done.

Mr. Roy Bodden: Mr. Speaker, I second that.

The Speaker: I thank you for your view, but I have made my decision. Proceedings are suspended.

PROCEEDINGS SUSPENDED AT 12.18 PM

PROCEEDINGS RESUMED AT 2.42 PM

The Speaker: Please be seated. Debate on the Loan Bill continues. Does any other Member wish to speak? The Honourable Minister for Tourism, Commerce and Transport.

Hon. Thomas C. Jefferson: Thank You, Mr. Speaker.

I am mindful that we have been dealing with this Budget Session since 5th November, 1997. I do not propose to make any long-winded speech, but there is a need to clarify many of the issues we have heard. I will try to do that before taking my seat.

I will begin by saying that the 1997 Budget and the Appropriation Law were not legal to spend from until 8th July, 1997. To the best of my knowledge there has to be an acceptable and legal way for Government to cause the smooth operations of this country to continue. One way is what was used—contingency warrants. Many were issued. In an answer given to this House by the Honourable Third Official Member responsible for Finance and Economic Development, there were 190 of them totalling in the area of \$70 million. When we realise that seven months of the year had just about transpired by then, and with a Budget in the area of \$250 million, \$70 million in the first six or seven months is not a big issue. The majority is covered within the allocations of the 1997 Budget. I am drawing some relevance and moving on, so I have no intention of dwelling on that.

There were comments about supplementary expenditure. I reiterate what I said when dealing with the Budget Address: There is no methodology that I know of where you can have a supplementary expenditure to a budget that is not yet legal. So the supplementary expenditure cannot come and be legal unless it is after 8th July, 1997, when the Appropriation Law comes into effect which governs all of the budgetary matters in the 1997 Budget.

The other point I wish to make (and I may repeat some of what I said in my contribution to the Budget Address) is that all of us tend to want a little holiday, so in August some of us did. All governments that I have known during the past 25 years I have been in government do not want to call a Finance Committee unless all of the government members are present. That is the basic reason why we could not do so in August. I use the word 'Government' specifically, because in Finance Committee we only have five Ministers. Five Ministers cannot carry votes in Finance Committee unless they have their Backbench support.

Then came September and the House was back in session. We were involved with the proceedings of the House. We also got involved then with the matter of First Cayman Bank. Then, in October, we prepared for the 1998 Budget.

Mr. Roy Boddén: But we could have had the Finance Committee meeting in early September.

Hon. Thomas C. Jefferson: Hindsight is always 20/20. When you are involved with running a Government. . . and this is not the 1971 or 1965 Government. The job of a Minister—take it from me—is full-time. We have so many issues within our own Ministry's that keep us full-time. Everybody is saying that it is not just one Minister who runs the Government, that it is all the Ministries and their Backbench support. When an issue such as First Cayman Bank comes along we can be occupied in meetings, and we were—all week, including Saturday and Sunday. Now, which is more important? Dealing with that? Or coming to Finance Committee? I think that is what we have to decide. I am not going to belabour that point. The point I am leading up to is that because of all those issues the Budget itself was not presented on the original day but had to be deferred, which is evidence of the involvement by the Ministers, in particular, during that period of time.

There will be need for supplementary expenditure, even if it is to authorise the amounts that have been issued by contingency warrants. That will hopefully be dealt with before this House adjourns.

During this last week, in particular, we also saw the 1998 Budget gain approval in Finance Committee. We had open and frank discussions, and, as the *Caymanian Compass* said, some "outbursts." We all have our moments when we lose the patience that we generally have.

[Inaudible interjection]

Hon. Thomas C. Jefferson: I did ask the Member to please go outside and have a smoke. And he agreed to do that.

This 1998 Budget was prepared by more than just the Ministers and the Official Members. . . maybe the word 'prepared' is not totally accurate, but it was seen. Discussions were held and information was passed, so many Members of this Honourable House knew the contents. Even in Finance Committee, the Opposition made proposals and the Government asked for time to consider; we went into the committee room and made our decisions. We moved funds around within the total capital allocation. We cut out \$1 million for roads. We gave in excess of \$350,000 for housing repairs and financial assistance. We approved \$175,000 for the emergency housing fund. We provided an allocation to buy an incinerator, particularly to deal with health and medical waste issues. We granted an additional \$200,000 for hot mix on roads in Cayman Brac.

There was some generosity within that too. The lady Member for North Side gave up \$50,000 of her allocation for the North Side Senior Citizens Centre and also \$12,000 for a workshop, slated for the Civic Centre I believe. I raise that point to say that to the best of my knowledge those were the only items in the 1998 Budget that were asked to be changed—and were changed by this Government. So no issues are concrete, we have made compromises in the best interest of the people of this country.

The Government's financial position at the end of September 1997 shows recurrent revenue in excess of \$163.7 million, recurrent and statutory expenditure of \$144.7 million, and with an excess of revenue over those two expenditures (recurrent and statutory) of more than \$19 million to be utilised to fund capital expenditure. At the end of September 1997 the surplus was \$3.85 million. The financial position of the country is still good.

Let me make another point: The prosperity in this country over the past five years was done by the National Team. People are walking around with money in their pockets, buying their Christmas gifts, buying their new cars, taking their flights to Miami. . . the economy of this country, Mr. Speaker, has never been better!

Mr. Roy Boddén: We are not denying that. We are saying what about the rainy day?

Hon. Thomas C. Jefferson: Mr. Speaker, I am speaking now. I am saying what my heart says I should to the public. They have had their opportunity. It is my turn.

The employment situation in this country for a local individual has really never been better. Yes, we can do more about training; yes, we intend to do more about training. I underscore those points just to draw relevance to how this country is today—the economy, the financial position of the Government, the fiscal management of the Government. We did not bring any taxation this year.

Let me make one other point. Some people may have seen recessions in this country. I have seen several myself. Because we have a Budget that says we are going to spend 'X' number of dollars, when the recession begins to bite we have to revise our Budget; otherwise there will be claims of financial negligence on the part of the Government in power at that time. It happened in the mid 1970s, to use one particular example. When we look at the number of things that the Government should be doing, we could come up with a list of probably 100 items that are not quite like we would like them to be. But are we not living in a practical world today? Are we not living in a practical world where needs have to be addressed? Evidence of that is the amount of money we shifted from capital back into financial assistance and housing repairs. We addressed the needs of the community, and we have to look out for those less fortunate and those who are not able to work due to illness, age and other reasons.

Many Members spoke about priorities and the need for Government to prioritise. Some of those same Members did not do it themselves. We have seen Budgets. . . and let me repeat what I said during the contribution to the Debate on the Budget Address: I have been involved with Budgets directly since 1977. We have seen Budgets where a \$10 allocation was put in with the view that the Legislative Assembly accepted the project, but did not have sufficient funds to do it. We would put the \$10 in and then during the year look to see whether the revenue of the country was as good as the Estimates. If it were better than estimated, perhaps there would be room to do that project.

We have seen where allocations were put in the Budget with the view that a project would not start until September of that year. Therefore, there is no need to put the total value of the project in the 1997, or 1998, or 1999 Budget. We know that a project is going to take 12 to 18 months, and therefore will span two financial years. We will use the allocation for the quarter to begin the project and finalise it in the final year.

I am in support of the Loan Bill before this House for \$19.5 million. I think it is important to say that the Government, in dealing with the 1998 Budget, wished to do a number of projects in that year. What is clear is that in the 1998 Budget there is \$28.5 million in capital expenditure which covers a variety of heads and subheads. When I look at page 178 of the Budget I see a total allocation of \$12.3 million for Public Buildings; I see \$3.5 million for roads, because we took \$1 million off of it; I see \$4.8 million for Recreational/Cultural Facilities; I see \$286,000 for Cemeteries; \$715,000 for Harbours and Docks. I see \$560,000 for Purchase of Lands; \$285,000 for Landfill Development and \$4.9 million for Healthcare Facilities. I see \$240,000 for Agricultural Development. I have been rounding some of these figures off. The Government's view is that this is the amount of money we will live with. It is tied to the Loan Bill.

I heard a Member talking about his priority list. When I jotted down the things he was talking about he too ended up at \$19.5 million. The prioritisation that the Government will address at this time is, within the framework of this \$28.5 million, putting forward hospital funding as priority number one. The Lighthouse School is priority number two. We are going to stay within the ambit of the \$19.5 million of that Loan and deal with those two projects in particular.

I will repeat what I said: Within the \$19.5 million loan the Government is going to address (and this is not all of the projects, I am giving two examples) the capital needs of the hospital and fund it from this Loan; the purchase of land, if that is what is necessary, for the Lighthouse School and the construction of the school, if that is what is decided. There are other projects in this Budget. Obviously, I am not going to try to go priority one through 20, or 25. The Government will sit down, rationalise, prioritise along the same lines I have just described.

We all know—the Member across the floor says he knows—that there is a particular sum of money needed for the hospital. Well, we do too. We are saying that within this \$19.5 million the hospital construction and capital expenditure needs will be funded. The Lighthouse School needs—whatever option is chosen—will be funded from this. I am not talking about \$4 million or \$3 million, I am talking about two projects, the hospital—whatever the capital construction expenditure needs are will be taken from this loan. If it is \$5 million, \$7 million, \$8 million, it is priority number one. Whatever the needs are for the Ministry of Education to establish a proper Lighthouse School, it will be taken from this Loan. Whatever the need is in terms of dollars, whatever the need is for West Bay Primary, the multi-purpose hall, it is going to be taken from this Loan.

We stand by our commitment to Cayman Brac and Little Cayman. There is no problem there at all. The Government understands what needs to be done. Sometimes even when you burn the midnight oil, it runs out before you finish the job and you need to continue the process.

(Members' applause)

Hon. Thomas C. Jefferson: Well, well. . . clapping by the First Elected Member for George Town, the First Elected Member for Bodden Town and the Fourth Elected Member for George Town. Thank you very much, gentlemen.

Dr. Frank McField: Priorities established.

Mr. Roy Bodden: That is right.

Dr. Frank McField: That is what we want too.

Hon. Thomas C. Jefferson: Well, Mr. Speaker. I am overwhelmed. I think I should sit down now.

(Inaudible interjections)

Hon. Thomas C. Jefferson: Mr. Speaker, I have reached such a point. I believe I should sit down at this particular time, and not waste any more time of this Honourable House—not to say that the issue is not important, I could spend another 30 minutes. But I thank all Honourable Members for their support.

(Applause)

The Speaker: Does any other Member wish to speak? (Pause) If not, I will ask the Mover if he would like to exercise his right of reply.

The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Thank you, Mr. Speaker.

I have taken note of Members' comments on this Loan Bill. The Government has just made it clear that it intends to prioritise the projects that will be allowed during the course of the year within the limit of the sum approved. With that, I would like to thank Honourable Members and you, Mr. Speaker.

The Speaker: The question is that a Bill entitled, The Loan (Capital Projects 1998) Bill, 1997, be given Second Reading. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. THE LOAN (CAPITAL PROJECTS 1998) BILL, 1997, GIVEN A SECOND READING.

The Speaker: Second Readings continuing.

THE MERCHANT SHIPPING BILL, 1997

Clerk: The Merchant Shipping Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I beg to move the second reading of a Bill entitled, The Merchant Shipping Bill, 1997.

This House is aware of the ongoing efforts of the Cayman Islands to develop the Cayman Islands Shipping Register to a high standard. As part of these efforts the Government, assisted by a legal consultant and the Shipping Sector Consultative Committee, undertook an extensive review of the Cayman Islands Shipping Legislation with a view to its consolidation and streamlining. This was done while simultaneously updating the legislation to reflect current international shipping practices, and to bring into Cayman law a number of relevant provisions of shipping related international conventions to which Cayman is already party to via the United Kingdom. At this time I will provide a brief overview of each section.

Part I, the Preliminary, contains the Short title, Commencement clause and the Interpretation clause. The definitions are taken mostly from existing Cayman Islands legislation and, where appropriate, from the United Kingdom's Shipping legislation.

Part II deals with Registration of Ships. This part addresses all matters pertaining to registration of ships including the Bareboat Charter Registration Regime. The qualifications for owning a Cayman Islands ship have been expanded to enable persons and corporate entities from a wider range to have access to the Cayman Islands registry. At the same time, checks and balances have been retained in the legislation to ensure the continuation of a responsible and quality register. The provisions, mostly taken from the existing Cayman Islands legislation, have been appropriately streamlined.

Part III deals with the National Charter and Flag. This part reflects well established law on the subject. It is largely based on current Cayman Islands legislation.

Part IV deals with Propriety Interest in ships. This part addresses transfers and transmission of proprietary interests in ships and ship mortgages, their registration and discharge. The legal principles already embodied in existing Cayman Islands legislation have been retained with some progressive modifications.

Part V deals with the Masters and Seamen. This part is comprehensive and up-to-date and incorporates all of the principles of the major international labour organisations conventions relating to seafarers and standards for training and certification of Watchkeepers Convention.

Part VI deals with the Prevention of Collisions and Safety of Navigation. The provisions reflect the rules of collision liability contained in the 1910 Collision Convention and relevant requirements contained in the Safety of

Life at Sea Convention relating to the safety of navigation. It also provides for the Authority to make regulations incorporating the conventions on the international regulations for the prevention of collision at sea.

Part VII, Safety of Life at Sea, reflects the salient features of the Safety of Life at Sea Convention and largely consists of such matters as surveys, certification, et cetera, for passenger and cargo ships and other technical requirements. It also provides for regulation-making powers to enable secondary legislation to be developed incorporating the numerous technical aspects of maritime safety emanating from the Safety of Life at Sea Convention.

Part VIII deals with Safety of Submersibles. Part IX deals with Load Lines. Part X deals with Carriage of Bulk Cargoes and Dangerous Cargoes.

Part XI deals with Unsafe Ships. This regulation consists of regulatory laws relating to statutory sea worthiness of ships. Part XII deals with Wreck and Salvage operations. Part XIII deals with Control of, and Returns as to Persons on Ships. Part XIV, Liability for Oil Pollution, compensation for oil pollution damage.

Part XV deals with liability of Shipowners and Others. Part XVI is Enforcement Officers and their Powers, Part XVII is Inquiries and Investigations into Marine Casualties. Part XVIII is Legal Proceedings. Part XIX Supplemental provisions and the Schedules 1 through 6.

Schedule 1 provides for the issuing of statutory forms in relation to registration of ships mortgages, et cetera.

Schedule 2 provides for forms prescribed under Part VIII dealing with submersibles. Schedules 3 and 4 set out transactional provisions required in relation to the operation of International Convention on Civil Liability for Oil Pollution Damage and International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage.

Schedule 5 sets out the list of existing Cayman Islands legislation which would have to be repealed. Schedule 6 sets out the standard scale of fines as contained in existing Cayman Islands legislation and is subject to revision.

Mr. Speaker, this is a comprehensive revision of our Shipping Legislation and I would like to thank you for allowing its second reading.

The Speaker: The question is that a Bill entitled, The Merchant Shipping Bill, 1997 be given a second reading. This item is open for debate. (Pause)

If there is no debate, does the Mover wish to add anything further?

Hon. George A. McCarthy: I have nothing further to add, Mr. Speaker.

The Speaker: The question is that a Bill entitled, The Merchant Shipping Bill, 1997 be given a second reading. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. THE MERCHANT SHIPPING BILL, 1997, GIVEN A SECOND READING.

The Speaker: Second Readings continuing.

THE DEVELOPMENT AND PLANNING (AMENDMENT) (DEVELOPMENTS ADVISORY BOARD) BILL, 1997

Clerk: The Development and Planning (Amendment) (Developments Advisory Board) Bill, 1997.

The Speaker: The Honourable Minister responsible for Education, Aviation and Planning.

Hon. Truman M. Boddan: I move the second reading of a Bill entitled, The Development and Planning (Amendment) (Developments Advisory Board) Bill, 1997.

This Bill sets up an Advisory Board that will deal with large projects which are set out in the Bill itself. These are basically apartments or hotels with more than 21 units, commercial developments over 20,000 square feet and subdivision of land into 21 or more lots, industrial development of more than 10,000 square feet and for special purpose projects.

This has been discussed with all Members of the House and the amendment put forward by the Opposition has been put into this Bill. The Bill itself is fairly short and follows what has been done for many years prior to this. It now puts this into Law and has restarted this again after a gap of several years.

The Speaker: The question is that a Bill entitled, The Development and Planning (Amendment) (Developments Advisory Board) Bill, 1997, be given a second reading. This item is open for debate. (Pause)

If there is no debate, does the Mover have anything further to add?

Hon. Truman M. Boddan: No, Mr. Speaker.

The Speaker: The question is that a Bill entitled, The Development and Planning (Amendment) (Developments Advisory Board) Bill, 1997, be given a second reading. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. THE DEVELOPMENT AND PLANNING (AMENDMENT) (DEVELOPMENTS ADVISORY BOARD) BILL, 1997.

The Speaker: Second Readings continuing.

THE COMPANIES (AMENDMENT) (PROTECTION OF DEPOSITORS) BILL, 1997

Clerk: The Companies (Amendment) (Protection of Depositors) Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I beg to move the second reading of a Bill entitled, The Companies (Amendment) (Protection of Depositors) Bill, 1997.

Honourable Members are aware of the desirability of having in place a mechanism that protects depositors against loss of their deposits with banks. This Bill is accordingly being presented. This is particularly important for a small depositors who can ill-afford to lose their savings. The introduction of The Companies (Amendment) (Protection of Depositors) Bill, 1997, will go a long way towards achieving this objective.

The Bill will provide for certain classes of depositors to be given precedence in the event of the failure of a bank. This will be achieved by amending section 161 of the Companies Law to include in the preferential debts in the winding up of a category A bank, the first \$20,000 of a customer's deposit with the bank.

There are, of course, other conditions and provisions set out in the Bill. Deposits in all currencies will be covered with the deposit in foreign currencies being converted to Cayman Island Dollars. Also, deposits owned by the same person will be pooled and treated as one deposit. Deposits that are owned jointly will be treated as a deposit in equal amounts by each of the joint depositors. Deposits made on behalf of clients will be treated as separate deposits as long as they have been clearly and previously declared as such.

If a depositor who is eligible for preferential payment has any liability to the bank for which there was a right of set-off, then the amount he would have received will be reduced by the liability. For a number of reasons, certain classes of depositors will not be eligible for the preferential payments. These include affiliated companies and other banks as licensed deposit holders, both local and overseas. Anyone who was responsible for, or who profited from the winding up of the bank will not receive preferential treatment. Others that will not be eligible include a director, controller, manager or shareholder with more than 5% of the shares of the bank. It can be seen that anyone who would have control or influence over the conduct of the bank's operations will not be eligible for preferential treatment.

This Bill has been discussed with the representatives of the Bankers Association and with the local representatives of the Accounting Association. They have given their comments which have been reflected in the Bill, or they endorse the Bill as it now stands.

This Bill is necessary to provide bank depositors with additional protection from economic and social hardships and to avoid any possible instability in the banking

industry. Members are asked to give this Bill their support.

I should point out that there is an learning curve in any given situation, particularly with the experience we have had with First Cayman Bank. We know that the remaining class A banks forming the retail banks providing services to the local community are banks with very strong parental backing. Where we have local banks included in the pool, they are being well managed and properly regulated. It is unlikely that we will have a situation as what has recently occurred. Every effort will be made by the Monetary Authority, and the Government as a whole to examine carefully the experiences we have had over the years and in light of the recent experience with First Cayman Bank. We will streamline where necessary our regulatory procedures in order to enhance the strength that institutions such as our Monetary Authority should have in place.

The Speaker: The question is that a Bill entitled, The Companies (Amendment) (Protection of Depositors) Bill, 1997 be give a second reading. This is now open for debate.

Hon. John B. McLean: Mr. Speaker, before going into a debate, I wonder if the House would favour going straight through, instead of taking the usual break, until 4.30 this evening.

The Speaker: Is that the wish of all Members?

Mr. Roy Boddan: No, Mr. Speaker. We would like to take the break, Sir, because it gives us an opportunity to do some caucusing which we are not able to effectively do while the House is in session.

The Speaker: We will now take the break, but I ask Members to please come back in 15 minutes. Proceedings are suspended for 15 minutes.

PROCEEDINGS WERE SUSPENDED AT 3.29 PM

PROCEEDINGS RESUMED AT 3.53 PM

The Speaker: Please be seated. The second reading of The Companies (Amendment) (Protection of Depositors) Bill, 1997, is now open for debate.

The Fourth Elected Member for George Town.

Dr. Frank McField: Thank you, Mr. Speaker.

In reviewing this Bill to give priority to certain classes of depositors in the winding up of a bank, and for incidental and connected purposes, I would like to briefly refer to the circumstances necessitating the consideration of this Bill. It is with great regret that I must repeat myself in saying that hindsight—and to echo other Members of the Backbench “crisis management”—seems to be constantly in focus every time we attempt to deal with an issue in this Honourable House. It is not to blame the Honourable Third Official Member, since he is a part of the

machinery of Government. I have been here long enough to understand that he cannot make reform, or in most cases he will not bring Bills to the House which do not first meet with the approval of elected Members of Government. Therefore, I am saying that in five years of managing this country they failed to take into account that something, such as what happened with the First Cayman Bank, might occur and give rise to such legislation. It would be obvious even to the Pope's dog at this point that legislation of this nature might become necessary since the crises of the storm has not yet subsided.

Just today there was a demonstration by affected creditors of First Cayman Bank outside of the Legislative Assembly Building. I remember seeing a small symbolic coffin with a sign stating that those demonstrating had buried their confidence in this Government. The number of persons who demonstrated today was, as before, small. It goes to show that the Caymanian people, in terms of their political behaviour, do not see demonstrations as a way of resolving grievances. That does not mean that the affected 3,000 creditors are not grieved, angered and disappointed by the way this situation continues to be handled.

For this reason, in discussing this Bill I must say that this piece of legislation, even coming at this late date, is an important attempt at solving local banking and lending problems. Perhaps it will most benefit those two smaller class A banks. . . one has already been adversely affected as a result of the lack of confidence in Government's ability to manage the banking and lending situation in these islands. Legislation like this would obviously strengthen the position of those two local banks and give those two banks the confidence they need to continue to develop parallel to the international banks with subsidiaries in these islands.

Of course, when we look at this legislation we know that we have very few banks owned by the Caymanian people, and that the banks we are talking about (the class A banks) are international banks that guarantee a great deal of security. The legislation is coming because we do not imagine that the problem we are legislating for will happen again in the future. I believe that most Members of this House believe that this legislation is totally unnecessary. It is only necessary to re-establish the customer's confidence. It is also necessary to give the two smaller class A banks a certain security. We might also see that the motive to bring this Bill to the House at this time does not bring any amendments to the relationship between the Monetary Authority and Executive Council.

In my debate on the Budget Address I stated that I was not satisfied with the arrangement made between the Monetary Authority and Executive Council. I mentioned the fact that we had Members of the Executive Council who serve as directors of banks and that I believe that if Executive Council continues to have the power over regulating the financial matters of public banks in this country that there should be some amendment brought to this House as complementary legislation. To bring it in this particular form is only to bring part of the solution that we should be seeking at this moment. It is

not good enough to tell the people that we are solving the problem by plugging the hole. It will leak again and could burst. Something could happen in the future. It could be imagined that this is not the real solution to the problem; the real solution has more to do with adjusting the Monetary Authority in such a way that it does become an 'Authority' without having to answer on a day-to-day basis to Members of Executive Council.

It would appear that we are trying to do something in bringing this Bill; that we are sorry about what happened at First Cayman Bank, that we are amending the situation by bringing legislation that will probably not be needed in the future. The public would be fooled.

[Addressing the Honourable Minister for Tourism, Commerce and Transport] Mr. Jefferson, you are always telling people that when you are speaking they should allow you to speak. I would like to build my case, please.

Mr. Speaker, I would appreciate it if the Members of the Government Bench would allow me to develop my argument. I think it would be very useful for them. As we saw with the Loan Bill, they altered their course of action and that alteration might very well be the result of our suggestions from the Backbench that might prove to be very good for the country at the end of the day.

Hon. Truman M. Bodden: Mr. Speaker, with respect, we were neither talking to nor about the Honourable Member. We were not discussing anything relating to him.

Mr. Roy Bodden: On a point of clarification. I think that the Honourable Members need to understand that some people get distracted more easily than others. While I can take a lot and still not get distracted, I think it must be appreciated that their conversation is distracting the Honourable Member.

Hon. Truman M. Bodden: Mr. Speaker, with respect, who makes more noise and slaps the desk more than the Third Elected Member for Bodden Town? He constantly does it, Sir.

The Speaker: Please continue, Fourth Elected Member for George Town.

Dr. Frank McField: Mr. Speaker, thank you for letting me to continue. Of course, I am very new here. Mr. Truman Bodden is a seasoned veteran. I am only asking for a little bit of consideration here. Perhaps what I am asking for is impossible and totally unrealistic. Nevertheless, I have asked for it and I now apologise that I have asked for that type of respect.

What I have tried to do is to show that we have to go beyond this Bill. If I were to sit and vote for this Bill without mentioning the fact that the reform I was calling for, especially during the Budget Debate, was for more than this Bill. . . I was looking for an attempt by the Government to understand the magnitude of the problem, to understand that the problem that was created by the collapse of First Cayman Bank was not just a problem cre-

ated by the lack of such legislation—it was a problem created by the lapse in regulations, by the fact that the regulatory institution responsible for being a watchdog for these banks was not in the position to do its job properly. It will not be possible for the Monetary Authority to continue to do its job if reforms are not made elsewhere.

A report which I read in the paper today said that the provisional liquidators are saying that the depositors will receive between 25 cents to 40 cents. That does not sound too encouraging, especially when we are dealing with Christmas and people sitting in this Chamber being paid good salaries saying we need to get home for Christmas. Well, there are certain people who might have nothing for Christmas, or what they have might be very much lessened by the fact that they have lost their money and might not have a real chance to regain a decent portion of it.

I have not asked for this law to be retroactive. The reason why I have not. . . and this actually creates a conflict for me because, on the one hand, I would really like to see these depositors (unlike some of my colleagues) receive back at least some of the fruits of their labour. At the same time I would not like to endanger the economic structure and creditability of these islands in attempting to do that. For this reason I am very cautious not to suggest that this law be retroactive.

I have thought about this situation because I have thought about these people. I did say in my debate on the Budget Address that I would not be supporting the Budget because I did not see any provision in the Budget to repay the depositors of First Cayman Bank. When I said that I had intended to advance an argument that would suggest that this law would only be accepted by me if it were made retroactive, but I understand that in making that retroactive we might be giving people the idea that we might be able to make other laws retroactive; that we are easy to change our minds about what the past was, to move the goal post, in fact. For this reason I am very cautious. I am still considerate of those persons who have been adversely affected by the situation at First Cayman Bank.

I know there are people who would like all of these debates to be short, but I did not come here to be a rubber stamp. I am very well paid—I must say that again—and I am very thankful, especially at this Christmas time, that I have a job and I am going to do my job. At one particular time my job might actually mean replacing some people in here, too, with people who can listen and develop and have sympathy for people who have lost something.

I would like to see Government come back with a plan of action that would not involve making this law retroactive, realising the type of credibility that we could lose by making this law retroactive—realising that, but nevertheless realising the obligation we have to the depositors at First Cayman Bank. The mere fact that we are bringing this Bill suggests that we could have been more vigilant. The mere fact that we are now bringing this Bill suggests that we could have acted differently, that we did not

do our job completely. Otherwise this Bill would not now be before this Honourable House. That is a fact.

I know that business is business, and that we are all taking risks when we do business. Sometimes we realise that if we do not minimise the risks certain people take we will create chaos and anarchy in our society. It is the same reason people have been allowed to trade as companies and not as individuals, simply because it minimises the risk individuals must take.

Although we can say to people, *'Look, that it is business. You made your decision to go there, and it is your risk,'* at the end of the day it should be our attempt, if we can help, to minimise the risk. If we had had such legislation in place, the risk would have been minimised. Since we did not have it in place, and if we can now help the people to see that they can overcome some of the difficulties they face, we should do that. We should have a plan of action for that.

Although there were just a few people outside, and we might look at them and think, *'Oh, they're back again. They are making fools of themselves. The public does not like that anyway and the more they do that the more the public will be on our side and believe that Government is right in its approach and method.'* I say that we could probably do something to assist these people. I know there is supposed to be some money someplace from one bank, but I do not want to say certain things because I am not quite sure what is still top secret and what is not. . . but as we saw when the Cuban refugees came to the Cayman Islands, we spent a substantial sum of money. . .

Mr. Roy Bodden: Six million dollars.

Dr. Frank McField: . . . \$6 million on them, getting them set up and housed, getting them in order to travel on to their desired destinations. We did that. We found money for that. We paid rent to the United States at Guantanamo Base.

The Chief Secretary says no.

Anyway, the case I am making is quite simple: It is a conflict. It is not an easily decided situation because part will say, *'Let them absorb the risk, let them absorb the loss.'* I am saying that if we had done things differently, if we had the insight and the foresight, and not the hindsight, this Law would have been in place and those depositors would not have lost all that they have lost. Therefore, in considering this legislation I wish that Members would also address the situation that led to the need for this legislation to be brought before the Legislative Assembly. If Members do not address the circumstances which gave rise to this Bill, then I feel they are trying to push the situation away, to dismiss the situation of the creditors of First Cayman Bank.

I am leaving an open challenge for Members to discuss the circumstances which led to the formulation of such a Bill.

The Speaker: Does any other Member wish to speak?
The Third Elected Member for Bodden Town.

Mr. Roy Bodden: I was almost tempted to play that famous waiting game Members so often like to play in this Chamber; but the business of the country, this Bill before us is too serious, and I dare not incur the wrath of the Chair and waste the Honourable Assembly's time by playing such a game when we are so far into the Yuletide season.

The Speaker: Thank you.

Mr. Roy Bodden: This piece of legislation could accurately be described as a conundrum or a paradox in that it seeks to address a situation without really addressing the situation. It proposes to make arrangements for future occurrences but proceeds to neglect present circumstances.

If I can use this analogy, it is like a man buying insurance to protect him from a situation which may occur in the future, but not take into consideration the same situation which is affecting him at present. This is going to be effective without having a certain effect.

I do not need to remind the Honourable House of the circumstances which brought this legislation to this Chamber at this time. What I will say is that if the Government has any conscience it will understand that accepting this (and passage of this legislation is almost guaranteed) does not exonerate and absolve the Government of its moral obligation to address this situation which the country is facing: namely, what of the depositors of First Cayman Bank? We would be deluding ourselves if we believe that by passing this legislation that situation is going to go away.

Those of us who occupy these hallowed halls are fortunate because many of us have escaped the pangs and pressures of those people. There are those of us on this side who deeply and dearly sympathise and have empathy for them. It is not easy to have lost all of one's hard-earned savings. This is particularly difficult for the small depositors, because heaven knows that they will not have anything put away in any other institution. Those people with meagre resources, those people with humble earnings are likely to have lost all that they had because they did not have the luxury of dispensing their financial resources in various institutions.

The paradox is made even more stark when we consider that sometime ago we went to great lengths in this country to accommodate people who were, one could say, in a similar plight in that they were dispossessed of their assets; persons to whom we had nothing but a moral obligation. We spent \$6 million on such persons. Are you telling me now that we have blood—kith and kin and fellow citizens—in destitute positions, having lost all of their financial resources, and all we are going to offer them is ignorance and pretend that the problem does not exist? Are we going to be ostriches and bury our heads in the ground and hope that the problem simply goes away?

Every time I see those people exercise their democratic right, I say, 'Thank God for the political culture of the Cayman Islands.' I hate to use this word, and my knowl-

edge of political science does not allow me to use it easily, so I use it here guardedly—that people are so 'civil'. Having lost all of their financial resources they are content to picket the Parliament. They are content to be so polite in their demonstrations that all they do is build a coffin stating they have lost confidence in the Government and set it up in front of the Legislative Assembly Building. Those civil and considerate gestures alone should demand more from our consciences than we have to this point been willing to yield.

Hindsight is 20/20. The Government is fond of saying that the Backbench does not bring any viable alternatives. There are those in the Government who would have the Caymanian public believe that there are persons on the Backbench incapable of bringing viable alternatives. However, I am satisfied that that era is dying. Those antiquated ideas have been debunked and are continually being debunked because this corner here has been shining since November 5th.

I noticed that the National Audit Office of the United Kingdom in their Contingency Plans for the Dependent Territories suggested the establishment of what they called "Natural Disaster Funds." I think that Bermuda is well on the way to setting up the infrastructure for such a fund. But they took it a step further. Not only would the fund provide monies and resources in the event of a hurricane or earthquake, they extended it to what I call certain political or economic phenomena which could happen in other parts of the world that would negatively affect the economy of those countries—namely, a large number of financial institutions failing, or if the stock market fell, or if there was a flop in a tourist season. I want to remind the House that in the last Parliament the Second Elected Member for Cayman Brac and Little Cayman and I brought a motion to this House asking the Government to establish what we called a Disaster Relief Fund. We were primarily thinking of things like an especially devastating hurricane.

The point I wish to make is that any Government with creativity and the gumption could have taken that idea and extended it to do what we are now doing. But, it would be literally impossible, because to do that would be admitting that the former Second Elected Member for Cayman Brac and Little Cayman and I were not 'defunct'. The Government—particularly that Honourable Minister who likes to describe us that way—would have been too charitable.

Hon. Truman M. Bodden: Why did you not bring a Motion for depositor's insurance?

Mr. Roy Bodden: Mr. Speaker, I do not have to do that, Sir. It was my responsibility to try to see that a need was filled, and I did that. If certain Ministers were as smart as they try to make people believe they are, and if their thinking was convergent, they would have said, 'Ah, ha! Here is an idea we can build upon. Let us not only limit it to natural disasters, but try to build for any eventuality such as a major failure in our financial sector or the flop

of the world wide economic system that may negatively impact upon us.'

We have to remember that the Backbench has proposed many things, even during this Parliament; but not all have been accepted. It is incumbent upon any Government claiming to be responsible and having the country's best interests at heart, to see the efficacy of any motion brought to this House and to use it to the betterment of the country.

Having said that, I wish to go on record as saying that I believe that a golden opportunity was lost to have set in place mechanisms that could have been extended to these kinds of eventualities.

MOMENT OF INTERRUPTION—4.30 PM

The Speaker: May I interrupt you for just a moment? I do not imagine that you will be finishing within the next few minutes.

Mr. Roy Bodden: No. Mr. Speaker.

The Speaker: We have reached the hour of 4.30. I will entertain the motion for the adjournment.

ADJOURNMENT

Hon. Truman M. Bodden: Mr. Speaker, I move the adjournment of this Honourable House until Monday morning at 10 o'clock.

The Speaker: Before I put the question on the adjournment, I would like to say to Honourable Members that Mr. Warner, the Acting Serjeant-at-Arms who has so ably served us as a replacement for Mr. Glidden, will complete his tour of duty this afternoon. Mr. Glidden will return on Monday morning. On behalf of the House I would like to thank him most sincerely for his service and wish for him and his family a very enjoyable holiday season.

The question is that this House do now adjourn until 10 o'clock Monday morning. Those in favour, please say Aye. . . . Those against, No.

AYES.

The Speaker: The Ayes have it.

AT 4.30 PM, THE HOUSE STOOD ADJOURNED UNTIL 10 AM MONDAY, 15TH DECEMBER, 1997.

**EDITED
MONDAY
15TH DECEMBER, 1997
10.32 AM**

The Speaker: Prayers by the Honourable Minister responsible for Health, Social Welfare, Drug Abuse Prevention and Rehabilitation.

PRAYERS

Hon. Anthony S. Eden: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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

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

The Speaker: Please be seated. Proceedings are resumed.

APOLOGIES

The Speaker: We have apologies from the Honourable Minister responsible for Agriculture, Environment, Communications and Works, and the Honourable Minister for Tourism, Commerce and Transport who will be arriving late this morning, and from the Fourth Elected Member for West Bay.

Item number 2, Government Business, Bills, Suspension of Standing Order 46. The Honourable Minister for Education, Aviation and Planning.

GOVERNMENT BUSINESS

BILLS

Suspension of Standing Order 46

Hon. Truman M. Boddén: I move the suspension of Standing Order 46 to enable the first reading of the Pensions (Amendment) Bill, 1997.

The Speaker: The question is that Standing Order 46 be suspended to enable the first reading of the Pensions (Amendment) Bill, 1997.

I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: STANDING ORDER 46 SUSPENDED TO ENABLE THE PENSIONS (AMENDMENT) BILL, 1997, TO BE TAKEN.

The Speaker: First Reading.

BILLS

FIRST READINGS

THE PENSIONS (AMENDMENT) BILL, 1997

The Clerk: The Pensions (Amendment) Bill, 1997.

The Speaker: The Bill has been read a first time and is set down for second reading,

Second Reading of the Companies (Amendment) (Protection of Depositors) Bill, 1997 continuation of debate thereon, the Third Elected Member for Boddén Town continuing.

SECOND READINGS

THE COMPANIES (AMENDMENT) (PROTECTION OF DEPOSITORS) BILL, 1997

(Continuation of debate thereon)

Mr. Roy Boddén: Thank you, Mr. Speaker.

The *Economist* magazine of April 27 to May 3 of 1996 carried as its title "How safe is your bank?" Inside the

magazine there is a special section entitled, "The domino effect: A survey of international banking." That section covers some 38 pages and gives some idea of the complexity of international banking. What is important about this special section and this issue of *The Economist* magazine is that it was almost prescient in its prediction of the crisis in some international banks. It begins by tracing the history of the failure of the Barings Bank and goes on to chronicle the failure of Japanese banks.

It is a document from which I am going to be taking several quotations and I have made provision to lay a copy on the Table, and I have a copy for you, Mr. Speaker. I will now ask the Serjeant-at-Arms if he would do the necessary courtesy.

The Speaker: So ordered.

Mr. Roy Bodden: Mr. Speaker, I would like to begin on page 4 under the heading, "Why banks are special." The article says:

"When it comes to banking, however, politicians everywhere seem especially reluctant to let the industry's flagships fail.

"Why? One reason is that governments fear the political backlash that the failure of a big bank would cause. Most of these financial giants have thousands of small depositors, many of whom keep a substantial portion of their wealth in their accounts. Ensuring that Aunt Agatha, Anna and Akiko-san have somewhere safe to invest their savings is widely considered to be the government's responsibility. Hence the strong political will to keep large banks afloat.

"But there is another, even more serious threat associated with bank failures that strikes fear into the hearts of politicians and central bankers everywhere. Dubbed 'systemic risk', this is the danger that the sudden and unexpected demise of one or several banks could trigger a domino-like collapse throughout an entire banking system. The prospect of a financial meltdown is such a serious worry because its impact is likely to be felt on Main Street as well as Wall Street."

There are two significant points in this short quotation which I would like to share with Honourable Members. The first is that it is recognised that it is the responsibility of the government to ensure that banks are safe for depositors, a responsibility in which, in our case, Government seems to have either been delinquent or abnegated altogether.

The second is a phenomenon that we very nearly experienced here—the failure of any one big bank could trigger what the article describes as "systemic risk." Indeed, we know that there was a serious run on at least one other bank. There is a danger in any of the large banks failing. I have to say that this seeming lack of positive action on the Government's part to assist the depositors in the case of First Cayman Bank violates the Caymanian's sense of propriety, the Caymanian notion of neighbourliness, and displays a callousness and disregard uncharacteristic of the Caymanian psyche. I would

like to go on record as saying that I, for one, do not wish to see this kind of callous disregard, this lack of action, this lack of expression of serious empathy. I do not wish to see this become a fixed or immutable part of our political culture.

I again call into question the effectiveness of this proposed Bill when it takes no steps to deal with the situation at hand. I cannot see the logic in making preparation for a future situation when we have made no attempt to deal with the situation at hand. It is like a patient going to a doctor and saying, '*I would like a vaccination to prevent me from catching the flu.*' When the doctor checks the patient he says, '*Sir, you have a more immediate problem. You are suffering from cancer.*' But the patient tells the doctor, '*Forget about the cancer, just give me the vaccination to keep me from catching influenza.*' The patient may never get the flu, but he has a case of cancer needing immediate attention.

We could speculate. There may never be another bank failure in the Cayman Islands. But we have a situation with the First Cayman Bank that we need to deal with now. The logic of this proposed Bill to deal with future failures escapes me when there is no attempt made to deal with the situation at hand.

That we should have known a crisis like this was bound to occur one day is the fault of many people. We should have prepared for this. The absence of any formative preparation does not bode well for the smartness of those of us who like to get up in this Honourable House and proclaim that we have a monopoly on events in the country; those who like to have the listening public and Members in this Chamber believe that we should always have the reigns of government because we are eminently equipped either because of our success in private life, or privileges to rule. Mr. Speaker, those days are gone.

I want to again refer to the Report by the National Audit Office and the Auditor General on the Contingent Liabilities in the Dependent Territories, at page 51 under the section that deals with Bermuda and disaster preparedness. I mentioned before that this document is presently held in the Clerk's office. This is my personal copy so I did not bother to bring a copy to lay on the Table.

Under "Disaster Preparedness," number 6, Bermuda: **"The Monetary Authority has also produced a disaster recovery plan for the financial services sector to identify the possible risks attached to the sector in the event of a major crisis. For example, a collapse of tourism, the housing market, the economy generally, natural disasters, significant fraud, major bank liquidation or a major political crisis. It aims to encourage the development of contingency plans by all relevant private and public sector organisations."** If our Monetary Authority wants to demonstrate creativity and initiative, perhaps they should take note of what the Monetary Authority in Bermuda has done.

But there is one problem with our Monetary Authority here, and I contend that until this problem is resolved, our Monetary Authority is handcuffed and will never be able to perform effectively. It is curtailed in its activities by the requirement to report its actions to the Executive Council.

That should not be. Let me state emphatically and categorically that there is a penchant for charges of conflict of interest, or worse. I want to find out how an Authority can report to a body, some of whose Members sit as directors of banks. I have to say that some people are lucky because in other jurisdictions that would not be allowed. I say again that the time has come for us to erase the greying of the area, to set the Monetary Authority up so that it can function as it should function.

This Bill, with its notable absence of dealing with the situation at hand, reminds me of the story of the drunk looking for a lost coin under a street lamp instead of where he dropped it. His excuse for searching under the street lamp was that the light was better there. Like the tale, this Bill illustrates the trait of human foolishness. If it fails to address the situation at hand, how can the people now affected have confidence in the Government? How do they feel when they realise that the Government is bringing a Bill to address the situation from which they are now suffering, yet offers no relief for them?

The move to provide a safety net for depositors is certainly a move in the right direction. But I hope that by the time debate is over, Government will realise that their efforts fall short of being effective. There are relatively few countries in the world that offer any kind of organised safety net with deposit insurance. Of the jurisdictions offering this, none offers full, that is one hundred percent, coverage. Let me say that I am not being unreasonable, proposing that the Government offer full coverage, because even in jurisdictions like the United States, that cannot be done. In all candour, the effort to redress the situation by offering a portion of the deposits is a good one. Where the effort falls flat on its face is that it fails miserably in taking the present situation at hand.

The history of deposit insurance is relatively new. Indeed, the United States did not seriously get into it until the endemic failure of the savings and loan institutions in the 1980s. The necessity for deposit insurance first became clear during the stock market crash of the 1930s, but was unable to get off the ground at that time. The article referenced in *The Economist* magazine on page 17 gives a chart showing those jurisdictions which have deposit insurance. It gives some of the details covering them. I crave the Chair's indulgence to share this with Honourable Members in the Chamber. In the United States, the level of protection extends up to a maximum of \$100,000 per depositor. It is compulsory. In Britain, 90% of protected deposits, with a maximum of £20,000, or the equivalent of US\$30,000, and it too is compulsory. In France, FF400,000 (which is US\$79,000 at the conversion rate in 1996); it is compulsory. In Germany, the system is a little different. The level of protection is up to 30% of a bank's liable capital, but the US dollar equivalent an individual would get is not available. Also, the coverage is voluntary. In Japan, it is ¥10 million (US\$93,000) and compulsory. In Switzerland, it is SFr30,000 (US\$25,000) and voluntary.

The article in *The Economist* goes on to point out that there are several models for insurance coverage in the banking system. There is actually a model which I dis-

covered quite by coincidence (page 31) was initiated in New Zealand which does not deal with any actual insurance, but protects depositors by legislating that regulation is done so that the results are made public; depositors and creditors of the bank have access to these statements, which must be audited twice yearly and a two-page summary placed in all branches of the respective banks. Depositors have access to the bank's risk management system, to the kinds of transactions the bank has engaged in; they are therefore able to make a judgement whether the bank is investing its money properly and reasonably.

In the United States the legislation governing bankruptcy and liquidation has a clause. I would like to have seen something like this incorporated into this Bill. The United States further protects its depositors by having a clause in its bankruptcy laws which states that up to three months prior to an institution going insolvent, or into liquidation, any monies which have been withdrawn have to be returned. The premise is that up to that time the entities withdrawing such monies may have had notice of the imminent insolvency of the institution. Such funds can be recovered only if the withdrawers can prove that the withdrawals were made on the basis of no previous knowledge, so this whole business of preferred creditors is limited. Any transaction within three months has to come back into the pool of funds which eventually will be liquidated.

While I give the Government credit for attempting to plug a hole, and for attempting to address the situation, I cannot stand here in good conscience and say that I will support this Bill. I said at the beginning that it was a conundrum or a paradox because it proposes to address a situation without really addressing it.

Over the weekend I did much soul searching and research. The situation of the Government reminds me of a quotation from Dr. Martin Luther King, that quintessential civil rights advocate and leader in the struggle for the down-trodden. He said, "**The ultimate measure of man is not where he stands in the time of comfort and convenience, but where he stands in the time of challenge and controversy.**" He went on to say that a true neighbour would "**risk his position, his prestige and even his life for the welfare of a friend.**" That quotation is as relevant today as it was during the era in which it was authored. The Government's position regarding this Bill and the situation of depositors of First Cayman Bank is that the Government should first try to address that situation. Therefore, I cannot stand here today in good conscience, claiming that I am sensible, and vote for this Bill knowing full well that up to Friday there was a demonstration before these hallowed halls by depositors of First Cayman Bank because they have lost their money; because up to this point they have no reasonable hope that the Government is ever going to address this situation.

Mr. Speaker, it is like Paul in the Acts of the Apostles when he appeared before Felix. When he related his story, "Almost, thou persuadest me." Almost the Government persuades me—but not quite. I am not going to vote

for this Bill because the Government has left out the people who are most affected. There may never be another bank failure in the Cayman Islands, but we have before us 3,000 depositors who are out in the cold. Enough said.

The Speaker: Does any other Member wish to speak? (Pause) If not, would the mover care to exercise his right of reply? The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I have taken note of the various comments offered on this Bill. It is true that hindsight is 20/20. Given the sophistication of the Cayman Islands as a financial centre and the fact that we have so many banks resident and doing business here, a Bill such as the one now under review by the Legislative Assembly should have been brought a long time ago. But, as the Third Elected Member for Bodden Town just pointed out, it was in the 1980s that the United States looked to provide protection for depositors after several major events had taken place.

Late though this Bill may be, it is being brought at this time. It is one that is being recommended to Honourable Members of the Legislative Assembly. The Government (and that includes me) is very much concerned about what took place at First Cayman Bank. We know the matter is presently before the courts. It is being adjudicated, going through that process. There are various views that can be offered at this time, but as one can appreciate, I will have to be very cautious with the views advanced at this time.

We do know, however, that the substantive owners of that bank are persons of 'deep pocket.' We are hoping that eventually they will be reached to assist in putting in place the funds to assist the persons affected by First Cayman Bank. The Government is very much aware that it is not easy for one to lose one's life savings. But as I indicated in an earlier presentation, this is one that, although it precipitated this Bill coming into being, will have to be isolated and addressed. Although it is connected in circumstance, it is one which is difficult to envisage how the Bill would have allowed for retroactivity.

This is one of those instances in which we would have liked to find a way to address the issue of First Cayman Bank, tying it into the current legislation before the House. However, this is not possible because the liquidation is now before the court. We have liquidators who have been appointed and are currently reviewing the affairs of First Cayman Bank. They are reporting to the courts.

We have looked at various means by which a protection scheme could have been put in place. This was deemed to be the most viable, one that gives protection. Had this scheme been in place, a certain amount of money would have been guaranteed to all the depositors of First Cayman Bank. Without going into the legal process, up to a value of \$20,000 would have been set aside for each depositor. This money would have been made available to them as quickly as the amount of cash available in the financial institution could have been ascer-

tained. We know from the record that had this legislation been in place this would have been done quite comfortably from the available assets.

The Monetary Authority is reviewing other aspects of its operations as well. The other members of the board of directors (I have excluded myself from this subcommittee as Chairman of the Monetary Authority) are carrying out a review of its operations. They will look at the current legislation and the perceived or inherent problems within the operation of the Monetary Authority, and a recommendation will be made to the Government regarding what issues should be addressed.

It is hoped that this review will be finalised to make whatever changes to the legislation that should be considered at the first Meeting of the 1998 Session of the Legislative Assembly. This is to convey to Honourable Members that action is underway, looking at the structure of the Monetary Authority.

We have come a long way in our regulatory operations. About four or five years ago, we had a separate regulatory regime for banking and trusts, and one for insurance companies. Since that time, we have amalgamated both sections and put in place what was first known as the Financial Services Supervision Department. We introduced legislation to deal with the regulation of mutual funds. This has become a very big segment of the financial industry market as it now stands. This is another area that is being satisfactorily regulated by the Monetary Authority.

Apart from the Registrar General's Office that functions independently, specifically dealing with companies formation, all aspects of the operations of the financial industry now fall under the review process of the Monetary Authority. When the Monetary Authority was started, looking at the way the legislation was structured, certain aspects of it could have been addressed differently. It is unfortunate that we have had this recent experience with First Cayman Bank, suggesting that the autonomy of the Monetary Authority should be challenged. We are hoping that this will be addressed and that the year 1998 will be a time of audit, not only for the Monetary Authority, but also for all aspects of the regulations of the financial industry.

The contingency plan referred to, set out by the National Audit Office, has made us aware that the Government of Bermuda (or the Monetary Authority) has carried out a review of its financial sector. It has looked at what problems would arise if there is a major disaster within the financial sector. We know that the Cayman Islands will be putting in place a ten-year national plan. Quite recently, the Governor met with managing partners of various auditing firms. I was in attendance at that meeting, along with the Auditor General. This was to allow them to review the terms of reference and determine what input they would have in that plan. I am sure the Governor will be talking more about that plan when he gives his Throne Speech in the early part of next year, but it will look at contingent liabilities, because that will be a very salient segment of that plan.

We are hoping to address this and to have a plan in place that looks at all major sectors of the economy—financial services, the tourism sector—and also at the possible eventualities. What is more important, I am hoping that a separate review of the financial industry will be carried out. We know things can go wrong and there is the possibility for everything to go wrong. But there is a very high probability that one can pre-empt such things that may go wrong by careful and prudent management, to put in place corrective measures to avoid such eventualities.

We have to tie a number of variables together to achieve this. We have a financial industry that has operated very successfully over the years. We have many persons in the community to whom we must give credit. I had to congratulate Sir Vassel [Johnson] when I saw him at a Monetary Authority board meeting on Saturday for pioneering what we have today in terms of a very successful financial industry.

When we look at the failures that have occurred over the past three decades, they have been minimal in comparison to other financial centres. When I say minimal, I am not downplaying the impact on those persons affected, especially when the failure of a bank occurs in the local community. The size or the number of failures that have occurred over the years does not matter, but who is affected. If a person loses \$1,000, \$3,000, \$5,000 or \$15,000 in a failed institution, that person does not want to hear about statistics. This person wants to hear how he or she will be assisted.

Looking at the 'macro' approach to the financial industry, we at Governmental level and as a society can be very proud of the way our financial industry has been managed. We know that financial transactions are becoming more and more complex. We know that we are being asked to look at financial transactions that often challenge the competence of the regulators, of even those individuals offering such services. When I say this, I am thinking of complex issues such as derivatives. But I must say that we are quite happy to report that we have on hand, even if outside our regulatory regime, persons with the desired competence within the community, and also members of the Government Private Sector Consultative Committee, with the necessary expertise to assist the Government, and to identify the type of expertise that should be brought on board to regulate such activities.

That being said, we have had a very senior officer who has come on board. His last assignment was on the Isle of Man. He is now heading the banking section. He comes with good expertise in the regulation of collective investment schemes. We have a managing director of the Monetary Authority who is highly qualified academically and he was also a very senior person in the Canadian Central Bank with responsibility for the regulation of banks. All banks in Canada, through their regulatory process, were reporting to this officer.

Again, when we look at the insurance sector, we have two very senior officers who have come on board. Not only are they able regulators, but we have seen the growth taking place in the insurance sector—not only

growth in terms of numbers, but good quality business coming to Cayman.

We have to look very carefully at the structure of the Monetary Authority. We know that no institution will be perfect. We will not get rid of all of the imperfections, but this is an opportunity to look very carefully. I do not take anything said by any Member who spoke on this Bill as a form of criticism. In fact, I have accepted all the views shared as constructive. Every Member of this Honourable House is very concerned that our financial industry continue to be recognised as a leading one. Wherever there is a need for corrective action to strengthen any aspect of it, this should be done. We should continue to review our regulatory process.

At this time, I would like to thank you very much, Mr. Speaker.

The Speaker: The question is that a Bill entitled The Companies (Amendment) (Protection of Depositors) Bill, 1997 be given a second reading. I shall put the question. Those in favour please say Aye...Those against No.

AYES AND NO.

The Speaker: The Ayes have it.

Mr. Roy Bodden: May I have a division please?

The Speaker: Certainly.

Madam Clerk, please call a division.

The Clerk:

Division No. 21/97

The Companies (A) (Protection of Depositors) Bill, 1997

Ayes: 13

Hon. James M. Ryan
Hon. Richard H. Coles
Hon. George A. McCarthy
Hon. Julianna O'Connor-Connolly
Hon. Thomas C. Jefferson
Hon. John B. McLean
Hon. Truman M. Bodden
Hon. Anthony S. Eden
Mr. John D. Jefferson, Jr
Mr. D. Kurt Tibbetts
Mr. Linford A. Pierson
Miss Heather D. Bodden
Mrs. Edna M. Moyle

Noes: 1

Mr. Roy Bodden

Absent

Mr. W. McKeever Bush
Mr. D. Dalmain Ebanks
Dr. Frank McField

The Speaker: The result of the division is thirteen Ayes, one No, three absent. The Bill has accordingly been given a second reading.

**AGREED BY MAJORITY: THE COMPANIES
(AMENDMENT) (PROTECTION OF DEPOSITORS)
BILL, 1997, GIVEN A SECOND READING.**

The Speaker: This would be a convenient time to take the morning break. Proceedings are suspended for fifteen minutes.

PROCEEDINGS SUSPENDED AT 11.25 AM

PROCEEDINGS RESUMED AT 2.37 PM

The Speaker: Please be seated. Proceedings are resumed.

Bills, Second Readings, continuing.

THE INSURANCE (AMENDMENT) (LIABILITIES SUPPORT) BILL, 1997

The Clerk: The Insurance (Amendment) (Liabilities Support) Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I beg to move the second reading of a Bill entitled, A Bill for a Law to Amend the Insurance Law (1995 Revision); to Provide that the Domestic liabilities of Insurers are Supported by Assets; and for Incidental and Connected Purposes.

The Government has always been concerned to ensure the adequate protection of insurance policy holders in the Islands who benefit from the protection afforded by all types of insurance policies, including life assurance policies. The Insurance Law (1995 Revision), Clause 7, provides that licensed insurers carrying on domestic business may be required to hold in the Islands such cash, securities and investments as will be sufficient to match their current liabilities and their life and annuity funds.

This provision of the Insurance Law has, to date, not been implemented. The Monetary Authority has in the past, and indeed continues to, monitor the position of every insurance company operating in the Islands. It is clear that not all companies have in the past retained sufficient funds domestically to cover their local liabilities. The Government now wishes to implement the provisions of clause 7 of the Insurance Law and in so doing to bring the provisions of that clause in line with modern international insurance practices.

The terminology used in the Bill is somewhat technical in nature and refers to specific accounting reserves held by insurance companies in respect of both general (that is property and casualty business, including motor or life) and annuity business. Clause 3(1)(b) has four definitions of earned premium reserve. This was explained earlier to Members when the Bill was going through a preliminary discussion. The second one is 'outstanding claim reserves'; the third is 'reserve for claim incurred but not reported'; and the fourth is 'expired risk reserve.'

To quickly go back over these definitions, (1) 'Unearned premium reserve' is the reserve for unearned premiums which represents the proportion of premiums relating to periods of insurance subsequent to the balance sheet date. (2) 'Outstanding claim reserves' comprises the estimated cost of claims incurred but not settled as at the balance sheet date. (3) 'Reserves for claims incurred in current year but not reported at balance sheet date'. (4) 'Unexpired risk reserves' is a provision made based on the information available as at the balance sheet date for any estimated future underwriting losses relating to unexpired risks.

I should now like to refer to clause 3(c). The object of this clause is to ensure that the Insurance Regulatory Authorities can maintain access, if necessary, to assets backing insurance liabilities. The Government believes this is necessary to retain sufficient control over those assets. However, clause 3(c) has been drafted to allow insurance companies operating locally as much flexibility as possible in the way in which they hold such assets. The Monetary Authority will at all times exercise diligence in the supervision of the requirements of clause 3(c) and will grant individual approval to each company operating in these Islands regarding the manner in which assets are held.

I commend this Bill to this Honourable House.

The Speaker: The question is the second reading of a Bill entitled The Insurance (Amendment) (Liabilities Support) Bill, 1997. It is now open for debate. (Pause)

If there is no debate, does the mover have anything further to add?

Hon. George A. McCarthy: Nothing further, Mr. Speaker. I thank Members for their tacit support.

The Speaker: The question is the second reading of a Bill entitled The Insurance (Amendment) (Liabilities Support) Bill, 1997. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: THE INSURANCE (AMENDMENT) (LIABILITIES SUPPORT) BILL, 1997, GIVEN A SECOND READING.

The Speaker: Second Readings continuing.

**THE NATIONAL PENSIONS (SUSPENSION) BILL,
1997**

The Clerk: The National Pensions (Suspension) Bill, 1997.

The Speaker: The Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture.

Hon. Truman M. Boddén: Mr. Speaker, I move that this Bill stand over until Wednesday to give us more time to look at the details, if that is the wish of the House. It could then go on the agenda for Wednesday.

The Speaker: The question is that the Bill stand over until Wednesday. I shall put the question. Those in favour, please say Aye... Those against, No.

AYES.

The Speaker: The Ayes have it.

AGREED: THE BILL STANDS OVER UNTIL WEDNESDAY, 17TH DECEMBER, 1997.

The Speaker: Second Readings continuing.

THE PENSIONS (AMENDMENT) BILL, 1997

The Clerk: The Pensions (Amendment) Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I beg to move the second reading of a Bill entitled The Pensions (Amendment) Bill, 1997.

This Bill seeks to amend the Pensions Law to achieve the following:

- 1) define "group employee" as applying to Caymanians;
- 2) expand the definition of "personable emoluments" to include acting allowance as set out in Clause 2 sub-clause (b);
- 3) introduce the 'prudent man' rule for investment purposes as set out in Clause 3;
- 4) allow Government's contribution to be varied by regulations and that Government employees who start their employment on or after 1st January 1998 transfer to any defined contribution scheme which may be introduced within a year of the commencement of their employment as set out in Clause 4; and
- 5) expand the Public Service Pension Fund investment options as set out in Clause 5.

A further change to the Law is considered necessary to define the term 'group employee' as applying to Caymanians only for the purpose of pension benefits. Non-Caymanian group employees and all other employees currently not participating in the Public Service Pension Plan will be addressed by the Pension Law Review Committee with the necessary provisions for such employees to be detailed in the Public Service Pensions Law, expected to be tabled during the March 1998 meeting of this Honourable House.

From time to time officers are appointed to acting positions for which they are paid an acting allowance. In some cases, these appointments are of a long-term nature, resulting in the payment of acting allowances over extensive periods of time. It is widely recognised within the Civil Service that this practice needs to be embodied in the Law, and can be achieved by expanding the definition of pensionable emoluments to include acting allowances.

Clause 3 provides for the Public Service Pensions Board as Trustees of the Public Service Pensions Fund to invest the fund in a prudent manner with the advice of the investment managers appointed to the Board. This clause also requires any future changes to the approved investment to be approved by at least two-thirds of the contributors, that is, employees, as an added protection to the beneficiaries of the fund.

Approved investments as proposed in the third Schedule of the Bill will allow the fund to improve its investment returns over the long term. This is in line with the recommendation of the fund's actuaries and in conjunction with the increase in contribution rates, if necessary, for the fund to become self-sustaining.

This, in essence, represents the amendments as set out in the Bill, and it is commended to Honourable Members.

The Speaker: The question is that a Bill entitled The Pension (Amendment) Bill be given a second reading. This is now open for debate.

If there is no debate, would the mover care to add anything further?

Hon. George A. McCarthy: Again, I thank Members for their tacit support.

The Speaker: The question is that a Bill entitled The Pension (Amendment) Bill be given a second reading. I shall put the question. Those in favour, please say Aye... Those against, No.

AYES.

The Speaker: The Ayes have it.

AGREED: THE PENSIONS (AMENDMENT) BILL, 1997, GIVEN A SECOND READING.

The Speaker: The House will now go into Committee to consider the Loan (Capital Projects 1998) Bill, 1997 and other bills.

HOUSE IN COMMITTEE AT 2.49 PM

COMMITTEE ON BILLS

The Chairman: Please be seated. The House is now in Committee. With the leave of the House, may I assume that, as usual, we should authorise the Second Official

Member to correct minor printing errors and such in these Bills? Would the Clerk state each Bill and read each clause?

THE LOAN (CAPITAL PROJECTS 1998) BILL, 1997

The Clerk: The Loan (Capital Projects 1998) Bill, 1997.

- Clause 1. Short Title.
- Clause 2. Power to borrow.
- Clause 3. Appropriation of loan to specified purposes.
- Clause 4. Principal and interest of loan.

The Chairman: The question is that Clauses 1 through 4 do stand part of the Bill. This is open for debate.

If there is no debate I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 1 THROUGH 4 PASSED.

The Clerk: The Schedule.

The Chairman: The question is that Schedule do stand part of the Bill. This is open for debate.

If there is no debate I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: SCHEDULE PASSED.

The Clerk: A Bill for a Law to Authorise the Borrowing of up to \$19,500,000 for the Financing of Specified Capital Projects.

The Chairman: The question is that the Title do stand part of the Bill. This is open for debate.

If there is no debate I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: TITLE PASSED.

THE MERCHANT SHIPPING BILL, 1997

The Clerk: The Merchant Shipping Bill, 1997.

- Clause 1. Short title and commencement.
- Clause 2. Interpretation.

The Chairman: The question is that Clauses 1 and 2 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 1 AND 2 PASSED.

The Clerk:

- Clause 3. Cayman Islands ship.
- Clause 4. Qualifications for owning a Cayman Islands ship.
- Clause 5. Entitlement of ship to be registered under this Law.
- Clause 6. Representative person.
- Clause 7. Refusal of registration.
- Clause 8. Termination of registration.
- Clause 9. Penal liability.
- Clause 10. Registrar of Shipping.

The Chairman: The question is that Clauses 3 through 10 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 3 THROUGH 10 PASSED.

The Clerk:

- Clause 11. Register.
- Clause 12. Entries in Registers.
- Clause 13. Survey and measurement of ships.
- Clause 14. Marking of ship.
- Clause 15. Application for registration.
- Clause 16. Declaration of eligibility.
- Clause 17. Evidence of title on first registry.
- Clause 18. Entry of particulars in register.
- Clause 19. Documents to be retained by Registrar of Shipping.
- Clause 20. Port of registry.

The Chairman: The question is that Clauses 11 through 20 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 11 THROUGH 20 PASSED.

The Clerk:

- Clause 21. Certificate of Registry.
- Clause 22. Custody of certificate.
- Clause 23. Penalty for use of improper certificate.
- Clause 24. Power to grant new certificate.
- Clause 25. Duplicate certificates.
- Clause 26. Endorsement of change of ownership.
- Clause 27. Provisional certificate for ship becoming entitled to be registered while abroad.

The Chairman: The question is that Clauses 21 through 27 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 21 THROUGH 27 PASSED.

The Clerk: Clause 28. Registration of ships chartered by demise to a qualified person.

The Chairman: There is an amendment to Clause 28.

Hon. George A. McCarthy: Yes, Mr. Chairman. In accordance with the provisions of Standing Order 52(1) and (2), I would like to move the following amendment to the Merchant Shipping Bill, 1997: that Clause 28(1) be amended by inserting after paragraph (d) the following paragraph: **“(e) a provision substantially to the same effect as that of a dispensation under section 33 is granted in respect of the ship by the Registry referred to in paragraph (d), where such provision is required under the Law of the country of that registry.”**

That is the amendment, Mr. Chairman.

The Chairman: The question is that Clause 28 be amended. I shall put the question. Those in favour, please say Aye... Those against, No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSE 28 AMENDED.

The Chairman: The question is that Clause 28 as amended do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSE 28 AS AMENDED PASSED.

The Clerk: Clause 29. Consequences of registration pursuant to section Clause 28(1).

The Chairman: The question is that Clauses 29 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 29 PASSED.

The Clerk: Clause 30. Application of this Law where a ship is registered under section 28.

The Chairman: There is an amendment. The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Mr. Chairman, the amendment reads: **“That Clause 30 subsection (2) paragraph (h) be amended by inserting after subparagraph (iii) the following subparagraph: ‘(iv) the revocation or withdrawal of the dispensation referred to in section 29(1)(e).’”**

The Chairman: The question is that Clause 30 be amended. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSE 30 AMENDED.

The Chairman: The question is that Clause 30 as amended do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSE 30 AS AMENDED PASSED.

The Clerk:

Clause 31. Transfer of rights and obligations of charterer under the charter by demise.

Clause 32. Rights and obligations relating to interests in ships registered pursuant to section 28(1).

Clause 33. Dispensations for ships chartered by demise and registered outside the Islands.

Clause 34. Termination and revocation of dispensations granted under section 33.

Clause 35. Flag to be used where a dispensation has been granted under section 33.

The Chairman: The question is that Clauses 31 through 35 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 31 THROUGH 35 PASSED.

The Clerk:

Clause 36. Registration of transfer of ownership.

Clause 37. Consequences of registration pursuant to section 36.

Clause 38. Provisions relating to application of this Law where a ship is registered under section 36.

Clause 39. Definition of transferee in this Part.

The Chairman: The question is that Clauses 36 through 39 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 36 THROUGH 39 PASSED.

The Clerk:

- Clause 40. Rules as to name of ship.
- Clause 41. Offences.
- Clause 42. Registration of alterations.
- Clause 43. Offences.
- Clause 44. Procedure for registration of alterations.
- Clause 45. Registration anew on change of ownership.
- Clause 46. Procedure for registration anew.
- Clause 47. Transfer of registration from George Town.
- Clause 48. Transfer of registration to George Town.
- Clause 49. Tonnage of ships of foreign countries adopting tonnage regulations.
- Clause 50. Tonnage regulations.

The Chairman: The question is that Clauses 40 through 50 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 40 THROUGH 50 PASSED.

The Clerk:

- Clause 51. Liabilities of unregistered ships.
- Clause 52. Application of this Law to unregistered ships.
- Clause 53. Termination of overseas registration.
- Clause 54. Requirement for insurance cover.
- Clause 55. Trusts, equitable interests and liabilities of beneficial interests.
- Clause 56. Registrar of Shipping may dispense with declaration or evidence.
- Clause 57. Fees.
- Clause 58. Returns to be made by Registrar of Shipping.
- Clause 59. Evidence of certificate of registry and other documents.
- Clause 60. Forms of documents.
- Clause 61. Instructions as to registration.
- Clause 62. Forgery of documents.
- Clause 63. False declarations.
- Clause 64. Registration regulations.
- Clause 65. Matters to be prescribed in registration regulations.
- Clause 66. Certified copy of entry in register to be evidence.

The Chairman: The question is that Clauses 51 through 66 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 51 THROUGH 66 PASSED.

The Clerk:

- Clause 67. National character of ship to be declared before clearance.
- Clause 68. Offences relating to Cayman Islands character of ship.
- Clause 69. Penalties.
- Clause 70. National colours and penalty for carrying improper colours or not showing colours.
- Clause 71. Proceedings on forfeiture of a ship.
- Clause 72. Rights of owners and mortgagees.
- Clause 73. Transfers.
- Clause 74. Declaration of transfer.
- Clause 75. Registration of transfer.
- Clause 76. Transmission of property in ship on death, bankruptcy, marriage, etc.
- Clause 77. Order for sale on transmission to unqualified person.
- Clause 78. Transfer of ship on sale by order of court.
- Clause 79. Power of court.

The Chairman: The question is that Clauses 67 through 79 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 67 THROUGH 79 PASSED.

Hon. Thomas C. Jefferson: Mr. Chairman, I wonder if there is any objection to any of these clauses. If that is the case, we could probably run through them pretty quickly. Just call them all off. I do not think we need to take the vote each time if we are in general agreement with all the Clauses.

The Clerk:

- Clause 80. Mortgage of ship or share.
- Clause 81. Priority of mortgages .
- Clause 82. Entry of discharge of mortgage.
- Clause 83. Protection of undischarged mortgage.
- Clause 84. Mortgagee not owner and mortgagee's power of sale.
- Clause 85. Mortgage not affected by bankruptcy.
- Clause 86. Transfer of mortgages and transmission of mortgage interest by death, bankruptcy, etc.
- Clause 87. Interpretation.
- Clause 88. Application of this Part.
- Clause 89. Crew agreements.
- Clause 90. Regulations relating to crew agreements.
- Clause 91. Discharge of seamen.
- Clause 92. Seamen left behind abroad otherwise than on discharge.
- Clause 93. Discharge of seamen when the ship ceases to be registered in the Cayman Islands.

Clause 94. Payment of seamen's wages.
 Clause 95. Account of seaman's wages.
 Clause 96. Regulations relating to wages and accounts.
 Clause 97. Power of Shipping Master or proper officer to decide disputes on wages.
 Clause 98. Restriction on assignment of and charge upon wages.
 Clause 99. Power of court to award interest on wages due.
 Clause 100. Allotment notes.
 Clause 101. Right of person named in allotment to sue in own name.
 Clause 102. Right, or loss of right, to wages in certain circumstances.
 Clause 103. Protection of certain rights and remedies.
 Clause 104. Remedies of master for remuneration, disbursements etc.
 Clause 105. Obligation of shipowner as to seaworthiness.
 Clause 106. Shipowner's relief from liability for unseaworthiness.
 Clause 107. Crew accommodation.
 Clause 108. Complaints about provisions or water.
 Clause 109. Expenses of medical and other treatment during voyage.
 Clause 110. Applications of sections 111 to 115.
 Clause 111. Manning.
 Clause 112. Power to exempt from manning requirements.
 Clause 113. Prohibition on going to sea undermanned.
 Clause 114. Production of certificates and other documents of qualifications.
 Clause 115. Crew's knowledge of English.
 Clause 116. Unqualified seaman going to sea as qualified persons.
 Clause 117. Medical treatment on board ship.
 Clause 118. Special certificates of competence.
 Clause 119. Young persons.
 Clause 120. Financial assistance.
 Clause 121. Uniform.
 Clause 122. Conduct endangering ship, persons, etc.
 Clause 123. Concerted disobedience and neglect of duty.
 Clause 124. Breaches by seamen of codes of conduct.
 Clause 125. Inquiry into fitness or conduct of officer.
 Clause 126. Disqualification of holder of certificate other than officers.
 Clause 127. Inquiry into fitness or conduct of seaman.
 Clause 128. Re-hearing and appeal from inquiry.
 Clause 129. Rules as to inquiries and appeals.
 Clause 130. Failure to deliver cancelled or suspended certificate.
 Clause 131. Power to restore certificate.
 Clause 132. Power to summon witness to inquiry.
 Clause 133. Refusal to give evidence to inquiry.
 Clause 134. Civil liability for absence without leave.
 Clause 135. Civil liability for smuggling.
 Clause 136. Civil liability for fines under immigration laws.
 Clause 137. Relief and return of seamen left behind or shipwrecked.
 Clause 138. Limit of employer's liability under section 137.
 Clause 139. Recovery of expenses from employer incurred for relief and return.
 Clause 140. Recovery of expenses from seamen.
 Clause 141. Official and other log books.
 Clause 142. Lists of crew.
 Clause 143. Cayman Islands seamen's cards.
 Clause 144. Discharge books.
 Clause 145. Handing over of documents by master.

The Chairman: The question is that Clauses 80 through 145 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 80 THROUGH 145 PASSED.

The Clerk:

Clause 146. Collision regulations.
 Clause 147. Cayman Islands ships to observe collision regulations.
 Clause 148. Foreign ships in Cayman Islands waters.
 Clause 149. Collision liability.
 Clause 150. Inspection to enforce compliance with Collision regulations.
 Clause 151. Duty to render assistance following collision.
 Clause 152. Offence.
 Clause 153. Master to notify hazards to navigation.
 Clause 154. Master to proceed moderately in danger area.
 Clause 155. Duty to assist ships in distress.
 Clause 156. Right to requisition ships when in distress.
 Clause 157. Duty to assist persons in danger at sea.
 Clause 158. Application of duties imposed by sections 155, 156 & 157, penalties for failure to comply and salvage rights.
 Clause 159. Regulations for signals of distress.
 Clause 160. Reports of accidents to ships.
 Clause 161. Apprehended loss of ship.
 Clause 162. Record of boat drill to be kept in official log book.
 Clause 163. Notices to mariners and navigational warnings.
 Clause 164. Interpretation and application.
 Clause 165. Establishment and management of aids.
 Clause 166. Nautical publication, charts and other information.
 Clause 167. Prosecution of offences relating to aids.
 Clause 168. Detention of ships.
 Clause 169. Fire or lights detrimental to navigation.
 Clause 170. Characteristics of aids.

The Chairman: The question is that Clauses 146 through 170 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 146 THROUGH 170 PASSED.

The Clerk: Clause 171. Interpretation.

The Chairman: There is an amendment to Clause 171. The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Mr. Chairman, the amendment reads "that Clause 171 be amended by deleting the definition of 'surveyor.'

The Chairman: The question is that Clause 171 be amended. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSE 171 AMENDED.

The Chairman: The question is that Clauses 171 as amended do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 171 AS AMENDED PASSED.

The Clerk:

- Clause 172. Application of Safety Convention and exceptions thereto.
- Clause 173. Exemptions.
- Clause 174. Regulations relating to safety at sea.
- Clause 175. Regulations for cargo ship safety construction requirements and surveys.

The Chairman: The question is that Clauses 172 through 175 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 172 THROUGH 175 PASSED.

The Clerk: Clause 176. Surveyor's duties.

The Chairman: There is an amendment to Clause 176. The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: The amendments are as follows: "That in Clause 176, subclause (1) be amended by deleting the words 'appointed pursuant to section 4(1)(iv)', and again in Clause 176, subclause (1) be amended by inserting at the end the wording which reads as follows: 'and issue such safety conventions certificates as may be authorised by the director.'" That is the extent of the amendments.

The Chairman: The question is that Clause 176 be amended. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSE 176 AMENDED.

The Chairman: The question is that Clause 176 as amended do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSE 176 PASSED.

The Clerk:

- Clause 177. Surveyor's powers of inspection.
- Clause 178. Surveyor to report to Director.
- Clause 179. Record of inspections and certificates.
- Clause 180. Survey requirements for passenger ships.
- Clause 181. Survey requirements for the radio installations of cargo ships.
- Clause 182. Survey requirements for safety equipment of cargo ships.
- Clause 183. Survey requirements for the structure, machinery and equipment of cargo ships.
- Clause 184. Responsibilities of owner and master and compliance with ISM Code.
- Clause 185. Procedure to be adopted when the ship, including its structure, machinery and equipment is deficient.
- Clause 186. Issue of certificates to Cayman Islands ships engaged on international or short international voyages.
- Clause 187. Issue of certificates to Cayman Islands ships not engaged on international voyages.
- Clause 188. Form of certificate.
- Clause 189. Duration and validity of certificates.
- Clause 190. Issue and duration of exemption certificates.
- Clause 191. Extension and other provisions.
- Clause 192. Issue and endorsement of certificates by another government.
- Clause 193. Ships not registered in the Islands and to which the safety convention applies.
- Clause 194. Other ships which are not Cayman Islands ships.
- Clause 195. Cancellation of a certificate.
- Clause 196. Posting-up of certificates.
- Clause 197. Prohibition on proceeding to sea without the appropriate documentation.
- Clause 198. Prohibition on proceeding on a voyage or excursion without the appropriate certificate.
- Clause 199. Limit on the number of passengers on passenger ships.
- Clause 200. Offences.
- Clause 201. Power to detain.
- Clause 202. Arbitration.
- Clause 203. Penalty for non-compliance with conditions of exemption certificates.
- Clause 204. Inspection of ships holding Safety Convention certificates.
- Clause 205. Ships to carry stability information.
- Clause 206. Regulations for local safety certificates including fishing vessels.

The Chairman: The question is that Clauses 177 through 206 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 177 THROUGH 206 PASSED.

The Clerk:

Clause 207. Interpretation.
 Clause 208. Application of this Part.
 Clause 209. Restriction on operation of submersible craft.
 Clause 210. Register of submersible craft.
 Clause 211. Requirements for registration of submersible craft.
 Clause 212. Grounds for refusing registration.
 Clause 213. Notification of changes affecting submersible craft and amendment of particulars.
 Clause 214. Termination of registration.
 Clause 215. Display of registration number.
 Clause 216. Regulations for construction, equipment etc. of submersible craft.
 Clause 217. Issue, duration, extension, suspension etc., of safety certificates.
 Clause 219. Offences, general.
 Clause 220. Service of documents and notices in proceedings.
 Clause 221. Detention.
 Clause 222. Interpretation.
 Clause 223. Ships to which Part IX applies.
 Clause 224. Load line regulations .
 Clause 225. Compliance with load line regulations.
 Clause 226. Submersion of load lines.
 Clause 227. Miscellaneous offences in relation to marks.
 Clause 228. Issue of load line certificates.
 Clause 229. Effect of load line certificates.
 Clause 230. Duration, endorsement and cancellation of load line certificates.
 Clause 231. Ships not to proceed to sea without load line certificate.
 Clause 232. Publication of load line certificate and entry of particulars in official log book.
 Clause 233. Inspection of ships.
 Clause 234. Valid convention certificates.
 Clause 235. Compliance with load line regulations.
 Clause 236. Submersion of load lines.
 Clause 237. Cayman Islands load line certificates.
 Clause 238. Production of certificate to customs and excise officer.
 Clause 239. Provisions as to inspection .
 Clause 240. Power to make exemption orders.
 Clause 241. Further powers to exempt ships.
 Clause 242. Issue of exemption certificates.
 Clause 243. Duration, endorsement and termination of certificates and exemptions.
 Clause 244. International load line exemption certificates.
 Clause 245. Subdivision load lines.
 Clause 246. Deck cargo.
 Clause 247. Notice to consular officer of proceedings against foreign ships.
 Clause 248. Surrender of certificates.
 Clause 249. Penalty for false load line certificates
 Clause 250. Admissibility of certificates in evidence.

Clause 251. Convention countries .

Clause 252. Orders, rules and regulations.

The Chairman: The question is that Clauses 207 through 252 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 207 THROUGH 252 PASSED.

The Clerk:

Clause 253. Application.
 Clause 254. Interpretation.
 Clause 255. Bulk cargo regulations.
 Clause 256. Carriage of grain.
 Clause 257. Delivery of notice and offence.
 Clause 258. Dangerous goods regulations.
 Clause 259. Carriage and marking of dangerous goods.
 Clause 260. Offences relating to dangerous goods .
 Clause 261. Rejection and disposal of dangerous goods by ship.
 Clause 262. Forfeiture of dangerous goods.
 Clause 263. Power to detain unsafe ships.
 Clause 264. Power to pay compensation and require security for compensation.
 Clause 265. Owner and master liable in respect of unsafe ship.
 Clause 266. Use of unsafe lighters, etc.
 Clause 267. Owner liable for unsafe operation of ship.
 Clause 268. Interpretation.
 Clause 269. Appointment and powers of Receiver of Wreck.
 Clause 270. Fees of Receiver.
 Clause 271. Duty of Receiver where vessel in distress.
 Clause 272. Powers of Receiver in case of vessel in distress.
 Clause 273. Power to pass over adjoining land.
 Clause 274. Duties of finder etc. of wreck.
 Clause 275. Provisions as respects cargo etc.
 Clause 276. Receiver to give notice of wreck.
 Clause 277. Claims of owners to wreck.
 Clause 278. Immediate sale of wreck in certain cases.
 Clause 279. Right of Government to unclaimed wreck.
 Clause 280. Notice of unclaimed wreck to be given to persons entitled.
 Clause 281. Disposal of unclaimed wreck.
 Clause 282. Effect of delivery of wreck etc. under this Part.
 Clause 283. Offence of taking wreck to foreign port.
 Clause 284. Offence of interfering with wrecked vessel or wreck.
 Clause 285. Powers of entry etc.
 Clause 286. Release of goods from customs and excise control.
 Clause 287. Powers of Port Authority in relation to wrecks.
 Clause 288. Non-application to platforms and drilling units.
 Clause 289. Non-application to foreign state-owned vessels.
 Clause 290. Life salvage.
 Clause 291. Salvage of cargo.
 Clause 292. Services excluded from salvage remuneration.
 Clause 293. Conditions for salvage remuneration.

Clause 294. Salvage contracts.
 Clause 295. Annulment or modification of contracts.
 Clause 296. Duties of salvor .
 Clause 297. Duties of owner and master.
 Clause 298. Powers of Director.
 Clause 299. Criteria for fixing salvage rewards.
 Clause 300. Responsibility for payment of reward.
 Clause 301. Quantum of reward.
 Clause 302. Special compensation.
 Clause 303. Services rendered under existing contract.
 Clause 304. Apportionment between salvors .
 Clause 305. Salvor's misconduct.
 Clause 306. Maritime lien.
 Clause 307. Duty to provide security.
 Clause 308. Interim payment.
 Clause 309. State owned cargoes.
 Clause 310. Humanitarian cargoes.
 Clause 311. Determination of salvage dispute.
 Clause 312. Appeal in cases of salvage dispute.
 Clause 313. Valuation of property salvaged.
 Clause 314. Detention of property liable to salvage.
 Clause 315. Sale of detained property.
 Clause 316. Apportionment of salvage by Receiver.
 Clause 317. Apportionment of salvage by Court.
 Clause 318. Salvor's right to interest.
 Clause 319. Application to the Government.
 Clause 320. Regulations.
 Clause 321. Time limit for salvage proceedings.
 Clause 322. The common understanding regarding the reward and special compensation.
 Clause 323. Recourse for life salvage payment.

The Chairman: The question is that Clauses 253 through 323 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 253 THROUGH 323 PASSED.

The Clerk:

Clause 324. Offences in connection with passenger ships.
 Clause 325. Power to exclude drunken passengers from passenger ships.
 Clause 326. Stowaways.
 Clause 327. Unauthorised presence on board.
 Clause 328. Master's power of arrest.
 Clause 329. Unauthorised persons: often relating to safety.
 Clause 330. Passenger returns to be made by master.
 Clause 331. Returns of births and deaths in ships, etc.
 Clause 332. Interpretation.
 Clause 333. Liability for oil pollution in case of tankers.
 Clause 334. Liability for oil pollution in case of other ships.
 Clause 335. Exceptions from liability under sections 333 and 334.

The Chairman: The question is that Clauses 324 through 335 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 324 THROUGH 335 PASSED.

The Clerk: Clause 336. Restriction of liability for oil pollution.

The Chairman: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I would like to propose that Clause 336 subsection (2) paragraph (f) be amended by inserting after paragraph (c) the following: "(d)".

The Chairman: The question is that Clause 336 be amended. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSE 336 AMENDED.

The Chairman: The question is that Clause 336 as amended do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSE 336 AS AMENDED PASSED.

The Clerk:

Clause 337. Limitation of liability under section 333.
 Clause 338. Limitation actions.
 Clause 339. Restriction on enforcement after establishment of limitation fund.
 Clause 340. Concurrent liabilities of owners and others.
 Clause 341. Establishment of limitation fund outside the Islands.
 Clause 342. Extinguishment of claims.

The Chairman: The question is that Clauses 337 through 342 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 337 THROUGH 342 PASSED.

The Clerk: Clause 343. Compulsory insurance against liability for pollution.

The Chairman: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I would like to propose that Clause 343 subclause (5) be amended by deleting \$20,000 and substituting \$50,000.

The Chairman: The question is that Clause 343 be amended. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSE 343 AMENDED.

The Chairman: The question is that Clause 343 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSE 343 AS AMENDED PASSED.

The Clerk:

Clause 344. Issue of certificate by Director.
 Clause 345. Rights of third parties against insurers.
 Clause 346. Jurisdiction of Cayman Islands Court and registration of foreign judgements.
 Clause 347. Government ships.
 Clause 348. Limitation of liability under section 334.
 Clause 349. Saving for recourse actions.
 Clause 350. Meaning of "the Liability Convention" and related expressions.
 Clause 351. Interpretation.
 Clause 352. Contributions by importers of oil and others.
 Clause 353. Power to obtain information.
 Clause 354. Liability of the Fund.
 Clause 355. Limitation of Fund's liability under section 354.
 Clause 356. Jurisdiction and effect of judgements.
 Clause 357. Extinguishment of claims.
 Clause 358. Subrogation.
 Clause 359. Supplementary provisions as to proceedings involving the Fund.
 Clause 360. Meaning of the "Liability Convention", "the Fund Convention" and related expressions.
 Clause 361. Interpretation.
 Clause 362. Re Part XII bis of the Clause 1992 Liability Convention.
 Clause 363. Re Article 36 bis of the Clause 1992 Fund Convention.
 Clause 364. Applications of provisions of Schedule 2 and Part II of Schedule 3.
 Clause 365. Interpretation.
 Clause 366. Application.
 Clause 367. Liability of the carrier.
 Clause 368. Performing carrier.
 Clause 369. Valuables.
 Clause 370. Contributory fault.
 Clause 371. Limits of liability for death or personal injury.
 Clause 372. Limits of liability for loss of or damage to luggage.
 Clause 373. Special Drawing Rights and conversion.
 Clause 374. Defences and limits for carriers, servants.

Clause 375. Aggregation of claims.
 Clause 376. Loss of right to limit liability.
 Clause 377. Basis for claim.
 Clause 378. Notice of loss or damage to luggage.
 Clause 379. Time-bar for actions.
 Clause 380. Competent jurisdiction.
 Clause 381. Invalidity of contractual provisions.
 Clause 382. Application of other limitation regimes.
 Clause 383. Nuclear damage.
 Clause 384. Commercial carriage by state-owned ships.
 Clause 385. States party to Convention.
 Clause 386. Carrier's obligation to give notice to passengers.
 Clause 387. Application of s.412(4).
 Clause 388. Application of s.413.
 Clause 389. Interpretation.
 Clause 390. Persons entitled to limit liability.
 Clause 391. Claims subject to limitation.
 Clause 392. Invoking limitation not an admission of liability.
 Clause 393. Claims excepted from limitation.
 Clause 394. Conduct barring limitation.
 Clause 395. Counter claims.
 Clause 396. Limitation calculations.
 Clause 397. Limits of liability for salvors.
 Clause 398. Limitation calculations for fixed claims.
 Clause 399. Measurement of ship's tonnage.
 Clause 400. Limitation of liability of dock owners and the Port Authority.
 Clause 401. Limits for passenger claims.
 Clause 402. Conversion of special drawing rights.
 Clause 403. Aggregation of claims.
 Clause 404. Constitution of limitation fund.
 Clause 405. Distribution of fund.
 Clause 406. Bar to other actions.
 Clause 407. Governing law.
 Clause 408. Apportionment of liability for damage or loss.
 Clause 409. Loss of life or personal injuries; joint and several liability.
 Clause 410. Right of contribution for loss of life or personal injuries.
 Clause 411. Time limits for proceedings against owners or ship.
 Clause 412. Scope of application of chapter.
 Clause 413. Exclusion of liability.

The Chairman: The question is that Clauses 344 through 413 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 344 THROUGH 413 PASSED.

The Clerk: Clause 414. Appointment of Director, surveyors and inspectors.

The Chairman: There is an amendment to Clause 414. The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I propose that Clause 414 subclause (6) be amended by inserting at the end the

following: "who may be authorised by the Director to issue such certificates under this Law as the Director may determine."

The Chairman: The question is that the amendment do stand part of the Clause. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSE 414 AMENDED.

The Chairman: The question is that Clause 414 as amended do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSE 414 PASSED.

The Clerk:

- Clause 415. Powers to require production of ship's documents.
- Clause 416. Power to inspect ships and their equipment.
- Clause 417. Powers of inspectors in relation to premises and ships.
- Clause 418. Provisions supplementary to section 417.
- Clause 419. Improvement notices.
- Clause 420. Prohibition notices.
- Clause 421. Provisions supplementary to section 419 and 420.
- Clause 422. References of notices to arbitration.
- Clause 423. Compensation in connection with invalid prohibition notices.
- Clause 424. Offences.
- Clause 425. Investigations of shipping casualties.
- Clause 426. Formal investigation.
- Clause 427. Rehearings and appeals.
- Clause 428. Rules relating to inquiries and investigations.
- Clause 429. Inquiries into and reports on deaths and injuries.
- Clause 430. Transmission of particulars of certain deaths on ships.
- Clause 431. Time limit for summary offences.
- Clause 432. Time limit for summary orders.
- Clause 433. Offences by officers of bodies corporate.
- Clause 434. Jurisdiction in relation to offences.
- Clause 435. Jurisdiction over ships lying off coasts.
- Clause 436. Jurisdiction in case of offences on board ship.
- Clause 437. Offences committed by Cayman Islands seamen.
- Clause 438. Return of offenders.
- Clause 439. Enforcing detention of ship.
- Clause 440. Sums ordered to be paid leviable by distress on the ship.
- Clause 441. Depositions of persons abroad admissible.
- Clause 442. Admissibility in evidence and inspection of certain documents.
- Clause 443. Admissibility of documents in evidence.

- Clause 444. Inspection and admissibility in evidence of copies of certain documents.
- Clause 445. Proof, etc. of exemptions.
- Clause 446. Service of documents.
- Clause 447. General functions of Minister and Director.
- Clause 448. General power to dispense .
- Clause 449. Registrar of Shipping and Shipping Masters.
- Clause 450. Nautical assessors.
- Clause 451. Transmission of documents to Director.
- Clause 452. Return, etc. to Director.
- Clause 453. Forms.
- Clause 454. Advisory committees.
- Clause 455. Fees and fines.
- Clause 456. Expenses of Collector of Customs.
- Clause 457. Expenses charged on money provided by Executive Council.
- Clause 458. Payments to be made into Treasury.
- Clause 459. Regulations, etc.
- Clause 460. Applications to non-Cayman Islands ships.
- Clause 461. Application of Law to government ships.
- Clause 462. Application of Law to ships chartered by demise to the Government.
- Clause 463. Application of Law to certain structures, etc.
- Clause 464. Application of United Kingdom legislation.
- Clause 465. Consultation with Secretary of State.
- Clause 466. Repeals, consequential amendments and transitional provisions.

The Chairman: The question is that Clauses 415 through 466 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 415 THROUGH 466 PASSED.

The Clerk: Schedules: Schedule 1. Instruments and documents for which forms are to be prescribed.

The Chairman: The question is that Schedule 1 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: SCHEDULE 1 PASSED.

The Clerk: Schedule 2. Prevention of Oil Pollution, transitional provisions.

The Chairman: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I would like to propose the following amendment to Schedule 2:

That section 353(6) be amended by deleting "*the statutory maximum*" and substituting "*level 5 on the standard scale*".

That section 353(6) be amended by inserting after "to a fine" the words "not exceeding \$15,000".

That section 332 be deleted and the following section substituted:

"332. (1) In this Chapter-

'damage' includes loss;

'owner' in relation to a registered ship, means the person registered as its owner, except that in relation to a ship owned by a State which is operated by a person registered as the ship's operator, it means the person registered as its operator; and

'relevant threat of contamination' shall be construed in accordance with section 334.

(2) in relation to any damage or cost resulting from the discharge or escape of any oil carried in a ship or from a relevant threat of contamination references in this chapter to the owner of a ship are references to the owner at the time of the occurrence, or first of the occurrences resulting in the discharge or escape (as the case may be) in the threat of contamination;

(3) References in this Chapter to the territory of any country" includes the territorial sea of that country."

That section 350 be deleted and the following section substituted:

"350.(1) In this Chapter-

'the Liability Convention' means the international convention of the civil liability of oil pollution signed in Brussels in 1969;

'Liability Convention Country' means a country in respect of which the liability convention is in force; and

'Liability Convention State' means a state which is a party to the convention.

(2) If Her Majesty by Order in Council declares that any State specified in the Order is a party to the Fund Convention in respect of any country so specified the order shall, while in force, be for the purposes of this Part conclusive evidence that that State is a party to that convention in respect of that country."

That section 351 be deleted and the following section substituted:

"351. In this Chapter-

'damage' includes loss;

'discharge or escape' , in relation to pollution damage, means the discharge or escape of oil carried by the ship;

'guarantor' means any person providing insurance or other financial security to cover the owner's liability of the kind described in section 343;

'oil', except in sections 352 and 353, means persistent hydrocarbon mineral oil;

'owner' means the person or persons registered as the owner of the ship or, in the absence of registration, the person or persons owning the ship, except that, in relation to a ship owned by a state which is operated by a person registered as the ship's operator, it means the person registered as its operator;

'pollution damage' means damage caused outside the ship carrying oil by contamination resulting from the escape or discharge of oil from the ship, wherever escape or discharge may occur, and includes the cost of preventive measures; and further damage caused by preventive measures;

'preventive measures' means any reasonable measures taken by any person to prevent or minimise pollution damage,

'ship' means any sea-going ship and any sea-borne craft of any type whatsoever carrying oil in bulk as cargo.

(2) References in this Chapter to the territory of any country includes the territorial sea of that country, and references to pollution damage in the Cayman Islands shall be construed accordingly.

(3) For the purposes of this Chapter a ship's tonnage shall be the net tonnage of the ship with the addition of the amount deducted from the gross tonnage on account of engine room space for the purposes of ascertaining the net tonnage.

(4) If the ship cannot be measured in accordance with the normal rules, its tonnage shall be deemed to be 40 per cent on the weight in tons (of 2,240 lb.) or oil which the ship is capable of carrying.

(5) For the purposes of this Chapter, where more than one discharge or escape results from the same occurrence or from a series of occurrences having the same origin, they shall be treated as one."

That section 360 be deleted and the following section substituted:

"360. (1) In this Chapter-

'the liability Convention' has the same meaning as in Chapter I of this Part;

'the Fund Convention' means the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage opened for signature in Brussels on 18th December, 1971;

'the Fund' means the International Fund established by the Fund Convention; and

'Fund Convention country' means a country in respect of which the Fund Convention is in force.

(2) If Her Majesty by Order in Council declares that any State specified in the Order is a party to the Fund Convention in respect of any country so specified, the Order shall, while in force, for the purposes of this Part be conclusive evidence that that State is a party to that Convention in respect of that country."

That is the extent of the amendments to Schedule 2.

The Chairman: The question is that the amendments to Schedule 2 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: SCHEDULE 2 AMENDED.

The Chairman: The question is that Schedule 2 as amended do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: SCHEDULE 2 AS AMENDED PASSED.

The Clerk: Schedule 3. Overall limit on liability of Fund.

The Chairman: The question is that Schedule 3 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman The Ayes have it.

AGREED: SCHEDULE 3 PASSED.

The Clerk: Schedule 4. Repeals, Consequential Amendments, Savings, Transitory and Transitional Provisions.

The Chairman: The question is that Schedule 4 do stand part of the Bill. The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: In accordance with Standing Orders 52(1) and (2), the following amendments are proposed: That Schedule 4 be deleted and the following Schedule Substituted:

"Schedule 4—Repeals

- *Merchant Shipping (Registry) Law, 1987*
- *Merchant Shipping (Life Saving Appliances) Law*
- *Merchant Shipping Law, 1987*
- *Merchant Shipping (Applicable Conventions) (Amendment) Law, 1987*
- *Merchant Shipping (Applicable Conventions) (Amendment) Law, 1989*
- *Merchant Shipping Act 1974 (Cayman Islands) Order, 1988 (The Commencement Order publishes as Supplement 5 with Gazette 25 of 1989)*
- *Merchant Shipping (Safety Provisions)(Applications) (Amendment) Order, 1989*
- *Merchant Shipping (Metrication) (Cayman Islands) Regulations, 1988*
- *Merchant Shipping (Safety Provisions) (Application) Order, 1989*
- *Merchant Shipping (Safety Provisions) (Application) Order, 1988*
- *Merchant Shipping (Load Line)(Cayman Islands) (Amendment) Rules, 1989*
- *Merchant Shipping (Safety Provisions) (Application) (No.2) Order, 1989*
- *Merchant Shipping (Load Line) (Cayman Islands) Rules, 1988*
- *Merchant Shipping (Medical Fitness) Regulations, 1989*
- *Merchant Shipping (Tonnage) (Cayman Islands) Regulations, 1989*
- *Merchant Shipping (Provisions & Water)(Cayman Islands) Regulations, 1989*
- *Merchant Shipping (Reporting of Pollution Incidents) (Cayman Islands) Regulations, 1988*
- *Merchant Shipping (Repatriation) (Cayman Islands) Regulations, 1989*
- *Merchant Shipping (Carriage of Nautical Publications) (Cayman Islands) Rules, 1988*
- *Merchant Shipping (Load Lines) (Deck Cargo) (Cayman Islands), Regulations, 1988*
- *Merchant Shipping (Load Lines) (Particulars of depth of loading) (Cayman Islands) Regulations, 1988*
- *Merchant Shipping Act 1979 (Cayman Islands) Order, 1988 (the Commencement Order published as Supplement 2 with Gazette 15 of 1987)*
- *Merchant Shipping (Applicable Conventions) (Amendment) Law, 1988*
- *Merchant Shipping (Load Line) (Commencement and Notice of Arrangements for Surveys) (Cayman Islands) Regulations, 1988*
- *Merchant Shipping (Crew Accommodation) (Cayman Islands) Regulations, 1988*
- *Merchant Shipping (Load Line) (Cayman Islands) (Amendment) Rules, 1988*
- *Merchant Shipping (Manning of Ships) (Cayman Islands) Regulations, 1989*
- *Merchant Shipping (Tonnage) (Cayman Islands) (Amendment) Regulations, 1988*

- *Merchant Shipping (Watchkeeping) (Cayman Islands) Regulations, 1990*
- *Merchant Shipping (Submersible Craft) Law, 1991*
- *Merchant Shipping (Submersible Craft Construction, Equipment and Survey) (Cayman Islands) Regulations, 1991*
- *Merchant Shipping (Submersible Craft Operation) (Cayman Islands) Regulations, 1991*
- *Merchant Shipping (Crew Agreements, List of Crew and Discharge of Seaman) Regulations, 1992*
- *Merchant Shipping Act 1970 (Unregistered Ships) Regulations, 1992*
- *Merchant Shipping Law, 1992*
- *Merchant Shipping Act 1988 (Amendment) Law, 1992*
- *Registration of Merchant Ships Law, 1991*"

That is the extent of the amendments to Schedule 4.

The Chairman: The question is that the amendment stands part of Schedule 4. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: SCHEDULE 4 AMENDED.

The Chairman: The question is that Schedule 4 as amended do part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: SCHEDULE 4 AS AMENDED PASSED.

The Clerk: Schedule 5. Standard Scale of Fines.

The Chairman: The question is that Schedule 5 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: SCHEDULE 5 PASSED.

The Clerk: A Bill for a Law to repeal and replace the Merchant Shipping Law, 1992; to provide for the registration of ships, the National Character and Flags of ships; to regulate proprietary interests in ships and the terms of engagement of masters and seamen and matters ancillary thereto; to provide for the prevention of collisions at sea, the safety of navigation of life at sea, the safety of submersibles, the regulation of load lines, the carriage of bulk and dangerous cargoes, unsafe ships, wreck and salvage; the control of persons on ships, liability and compensation for oil pollution damage, the liability of shipowners and others, and inquiries and investigations into

marine casualties; and for incidental and connected purposes.

The Chairman: The question is that the Title do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: TITLE PASSED.

The Chairman: That concludes deliberations in Committee on The Merchant Shipping Bill, 1997.

THE DEVELOPMENT AND PLANNING (AMENDMENT) (DEVELOPMENTS ADVISORY BOARD) BILL, 1997

The Clerk: The Development and Planning (Amendment) (Developments Advisory Board) Bill, 1997.

Clause 1. Short title.

Clause 2. Interpretation.

Clause 3. Amendment of the principal Law - insertion of sections respecting the Developments Advisory Board.

Clause 4. Amendment of section 10 - Savings for applications made before 5 December, 1997

Clause 5. Amendment of section 12 of the principal Law.

Clause 6. Insertion of Third Schedule - constitution etc. of the Developments Advisory Board.

The Chairman: The question is that Clauses 1 through 6 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 1 THROUGH 6 PASSED.

The Clerk: A Bill for a Law to amend the Development and Planning Law (1995 Revision); to provide for the establishment of the Developments Advisory Board; to make savings for existing planning applications on the introduction of amendments to the Development Plan; and for incidental and connected purposes.

The Chairman: The question is that the Title do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: TITLE PASSED.

The Chairman: That concludes proceedings in Committee on The Development and Planning (Amendment) (Developments Advisory Board) Bill, 1997.

THE COMPANIES (AMENDMENT) (PROTECTION OF DEPOSITORS) BILL, 1997

The Clerk: The Companies (Amendment) (Protection of Depositors) Bill, 1997.

Clause 1. Short title.

Clause 2. Amendment of section 161 - Preferential payments.

The Chairman: The question is that Clauses 1 and 2 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 1 AND 2 PASSED.

The Clerk: Clause 3. Insertion of Schedule.

The Chairman: The question is that Clause 3 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSE 3 PASSED.

The Clerk: A Bill for a Law to amend the Companies Law (1995 Revision); to provide for precedence in priority to be given to certain classes of depositors in the winding up of a bank; and for incidental and connected purposes.

The Chairman: The question is that the Title do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: TITLE PASSED.

The Chairman: That concludes proceedings in Committee on The Companies (Amendment) (Protection of Depositors) Bill, Clause 1997.

THE INSURANCE (AMENDMENT) (LIABILITIES SUPPORT) BILL, 1997

The Clerk: The Insurance (Amendment) (Liabilities Support) Bill, 1997.

Clause 1. Short title.

Clause 2. Interpretation clause.

Clause 3. Amendment of section 7, General requirements for licensed insurers.

Clause 4. Amendment of section 16, Regulations.

The Chairman: The question is that Clauses 1 through 4 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 1 THROUGH 4 PASSED.

The Clerk: A Bill for a Law to amend the Insurance Law (1995 Revision); to provide that the domestic liabilities of insurers are supported by assets; and for incidental and connected purposes.

The Chairman: The question is that the Title do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: TITLE PASSED.

The Chairman: That concludes proceedings in Committee on The Insurance (Amendment) (Liabilities Support) Bill, 1997.

THE PENSIONS (AMENDMENT) BILL, 1997

The Clerk: The Pensions (Amendment) Bill, 1997.

Clause 1. Short title.

Clause 2. Amendment of section 2, Interpretation.

Clause 3. Amendment of section 9, Investment of fund.

Clause 4. Amendment of section 10, Contributions to the fund.

Clause 5. Amendment of the Third Schedule, Approved Investments.

The Chairman: The question is that Clauses 1 through 5 do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: CLAUSES 1 THROUGH 5 PASSED.

The Clerk: A Bill for a Law to amend the Pensions Law (1995 Revision).

The Chairman: The question is that the Title do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: TITLE PASSED.

The Chairman: That concludes proceedings in Committee. The question is that the Committee do report to the House. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it.

AGREED: COMMITTEE TO REPORT TO THE HOUSE.

The Chairman: The House will resume.

HOUSE RESUMED AT 4.08 PM.

The Speaker: Please be seated. Reports on Bills.

REPORTS ON BILLS

THE LOAN (CAPITAL PROJECTS 1998) BILL, 1997

The Clerk: The Loan (Capital Projects 1998) Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Mr. Speaker, I beg to report that The Loan (Capital Projects 1998) Bill, 1997 was considered by a Committee of the whole House and passed without amendment.

The Speaker: The Bill is accordingly set down for Third Reading.

THE MERCHANT SHIPPING BILL, 1997

The Clerk: The Merchant Shipping Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Mr. Speaker, I beg to report that The Merchant Shipping Bill, 1997 was considered by a Committee of the whole House and passed with amendments.

The Speaker: The Bill is accordingly set down for Third Reading.

THE DEVELOPMENT AND PLANNING (AMENDMENT) (DEVELOPMENTS ADVISORY BOARD) BILL, 1997

The Clerk: The Development and Planning (Amendment) (Developments Advisory Board) Bill, 1997.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, I beg to report that The Development and Planning (Amendment) (Developments Advisory Board) Bill, 1997 was considered by a Committee of the whole House and passed without amendment.

The Speaker: The Bill is accordingly set down for Third Reading.

THE COMPANIES (AMENDMENT) (PROTECTION OF DEPOSITORS) BILL, 1997

The Clerk: The Companies (Amendment) (Protection of Depositors) Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Mr. Speaker, I beg to report that The Companies (Amendment) (Protection of Depositors) Bill, 1997 was considered by a Committee of the whole House and passed without amendment.

The Speaker: The Bill is accordingly set down for Third Reading.

THE INSURANCE (AMENDMENT) (LIABILITIES SUPPORT) BILL, 1997

The Clerk: The Insurance (Amendment) (Liabilities Support) Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Mr. Speaker, I beg to report that The Insurance (Amendment) (Liabilities Support) Bill, 1997 was considered by a Committee of the whole House and passed without amendment.

The Speaker: The Bill is accordingly set down for Third Reading.

THE PENSIONS (AMENDMENT) BILL, 1997

The Clerk: The Pensions (Amendment) Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: Mr. Speaker, I beg to report that The Pensions (Amendment) Bill, 1997 considered by a Committee of the whole House and passed without amendment.

The Speaker: The Bill is accordingly set down for Third Reading.
Third Readings.

THIRD READING S

THE LOAN (CAPITAL PROJECTS 1998) BILL, 1997

The Clerk: The Loan (Capital Projects 1998) Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I beg to move that a Bill entitled, The Loan (Capital Projects 1998) Bill, 1997, be given a third reading and passed.

The Speaker: The question is that that a Bill entitled The Loan (Capital Projects 1998) Bill, 1997, be given a third reading and passed. I shall put the question. Those in favour please say Aye...Those against No.

AYES AND NO.

The Speaker: The Ayes have it.

AGREED: THE LOAN (CAPITAL PROJECTS 1998) BILL, 1997 GIVEN A THIRD READING AND PASSED.

THE MERCHANT SHIPPING BILL, 1997

The Clerk: The Merchant Shipping Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I beg to move that a Bill entitled The Merchant Shipping Bill, 1997 be given a third reading and passed.

The Speaker: The question is that that a Bill entitled The Merchant Shipping Bill, 1997 be given a third reading and passed. I shall put the question. Those in favour please say Aye...Those against No.

AYES AND NO.

The Speaker: The Ayes have it.

AGREED: THE MERCHANT SHIPPING BILL, 1997 GIVEN A THIRD READING AND PASSED.

THE DEVELOPMENT AND PLANNING (AMENDMENT) (DEVELOPMENTS ADVISORY BOARD) BILL, 1997

The Clerk: The Development and Planning (Amendment) (Developments Advisory Board) Bill, 1997.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Boddin: I beg to move that a Bill entitled The Development and Planning (Amendment) (Developments Advisory Board) Bill, 1997 be given a third reading and passed.

The Speaker: The question is that that a Bill entitled The Development and Planning (Amendment) (Developments Advisory Board) Bill, 1997 be given a third reading and passed. I shall put the question. Those in favour please say Aye...Those against No.

AYES AND NO.

The Speaker: The Ayes have it.

AGREED: THE DEVELOPMENT AND PLANNING (AMENDMENT) (DEVELOPMENTS ADVISORY BOARD) BILL, 1997 GIVEN A THIRD READING AND PASSED.

THE COMPANIES (AMENDMENT) (PROTECTION OF DEPOSITORS) BILL, 1997

The Clerk: The Companies (Amendment) (Protection of Depositors) Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I beg to move that a Bill entitled The Companies (Amendment) (Protection of Depositors) Bill, 1997 be given a third reading and passed.

The Speaker: The question is that that a Bill entitled The Companies (Amendment) (Protection of Depositors) Bill, 1997, be given a third reading and passed. I shall put the question. Those in favour please say Aye...Those against No.

AYES AND NO.

The Speaker: The Ayes have it.

AGREED: THE COMPANIES (AMENDMENT) (PROTECTION OF DEPOSITORS) BILL, 1997 BE GIVEN A THIRD READING AND PASSED.

THE INSURANCE (AMENDMENT) (LIABILITIES SUPPORT) BILL, 1997

The Clerk: The Insurance (Amendment) (Liabilities Support) Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I beg to move that a Bill entitled The Insurance (Amendment) (Liabilities Support) Bill, 1997 be given a third reading and passed.

The Speaker: The question is that that a Bill entitled The Insurance (Amendment) (Liabilities Support) Bill, 1997 be given a third reading and passed. I shall put the question. Those in favour please say Aye...Those against No.

AYES AND NO.

The Speaker: The Ayes have it.

AGREED: THE INSURANCE (AMENDMENT) (LIABILITIES SUPPORT) BILL, 1997 GIVEN A THIRD READING AND PASSED.

The Speaker: The next item is Motions. Government Motion No. 13/97. The Honourable Third Official Member responsible for Finance and Economic Development.

GOVERNMENT MOTIONS

GOVERNMENT MOTION NO. 13/97

THE PUBLIC FINANCE AND AUDIT LAW (1997 REVISION) (ESTABLISHMENT OF A CAPITAL DEVELOPMENT FUND)

Hon. George A. McCarthy: This is one of the Motions that Honourable Members were advised would be presented as set out in the Budget document. Government Motion No. 13/97 seeks to establish a Capital Development Fund. It reads as follows:

“WHEREAS it is necessary to establish a capital development fund to ensure that appropriations received are kept separate from general revenue of the Islands and are expended on capital development projects;

“BE IT NOW RESOLVED -

"1)that a capital development fund be established in accordance with the powers contained in section 30 of the Public Finance and Audit Law (1997 Revision);

"2)that the Legislative Assembly or the Finance Committee may make appropriations to the fund from general revenues, borrowing or other funds of Government.

"3)that disbursements from the fund may only be made in accordance with resolutions made by the Finance Committee, and under the authority of the Financial Secretary, for the purpose of defraying expenditure incurred on capital development projects within the Islands;

"4)that if at the close of account for any financial year it is found that expenditure charged to the fund is less than the sum appropriated to the fund, the surplus shall be held in the fund for disbursement in future years; and

"5)that the Accountant-General shall prepare a statement of accounts for this fund as part of the Government's annual financial statements.”

The Speaker: Government Motion No. 13/97 has been duly moved. Does the Member wish to speak to it?

Hon. George A. McCarthy: As I said, this Honourable House was put on notice that this Motion would be coming. It is one of three as set out in the Budget document. The first is the Capital Development Fund, the second is the Environmental Protection Fund and the third is the Infrastructure Fund. All three are connected.

Turning to the Capital Development Fund, Government Motion No. 13/97, in accordance with section 1 of section 30 of the Public Finance and Audit Law (1997 Revision), approval by this Honourable House is being sought for the establishment of a Capital Development Fund. The purpose of this fund is to manage and control capital development projects within a separate fund which will record monies appropriated each year from recurrent revenue, borrowing or other funds, and all expenditures on individual capital projects.

In the 1998 Budget, this Honourable House was asked to vote on an overall sum of money for capital development as shown under Head 54—Capital Development, of approximately \$28 million. This sum was analysed by sector and discussed in great detail in Finance Committee. The Government intends that details on the capital development projects will be presented to this Honourable House each year in a document as mentioned earlier which will be known as the Public Sector Investment Programme which, along with the Medium Term Financial Strategy will support the figures as set out in future budgets. This will allow the House to approve funding on a project-by-project basis and to vote an overall sum of money for capital development.

As indicated during the Budget Address, a Public Sector Investment Programme will also be a part of the documentation submitted. This document will take a three-year look ahead and feature those capital projects already approved and underway, plus any new projects proposed. Capital development projects will be analysed by sector and all projects over an agreed financial limit separately identified. Each year a public sector investment programme will be presented for approval by this House as part of the Budget so that the House can debate on the revisions or additions to the programme. Each capital development project will be expected to be contained within the approved financial limit and any request to increase this financial limit will require approval by this Honourable House.

When reference is made to the Medium Term Financial Strategy, as mentioned during the course of this meeting, the first such document will be tabled during this meeting. This will be available to Honourable Members. This document will have to be updated on an annual basis because it is a 'rolling' document. The previous year will be dropped, and it will take into account projects proposed for the current year and look two years ahead. This is how the document is intended to operate.

As mentioned earlier, the Capital Development Fund will focus attention on individual projects with their costs clearly identified rather than on the funding source. It was pointed out that rather than having a separate set of projects to be funded by local revenue, and another set funded by borrowing, it could be that those funded by borrowing could be implemented and those funded by local revenue, if they are not done during the course of the year, that money would be forfeited or returned to the surplus and deficit account.

The Capital Development Fund takes a different approach to this, in that the money from recurrent revenue will be the first to be used up and then funding for projects following once the general revenue portion has been used up, will then be met from borrowing.

If at the close of any financial year it is found that expenditure charged to the Capital Development Fund is less than the sum appropriated, the surplus shall not be surrendered but held in the fund for appropriation in future years. This will provide flexibility in the use of resources and timing of capital development projects.

The Accountant General shall prepare a separate statement of accounts for the Capital Development Fund as part of the Government's annual financial statements. This will be subject to examination and audit by the Auditor General in accordance with section 43 of the Public Finance and Audit Law (1997 Revision).

I have gone over the details that have already been provided to Members of this House as to how this fund will operate. I thought it would be useful to 'recap' for the benefit of supporting the Motion. Thank you.

The Speaker: Does any Member wish to speak? (Pause) If not, would the Mover like to add anything further? The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I thank Members for their support.

The Speaker: The question is Government Motion No. 13/97—The Public Finance and Audit Law (1997 revision) (Establishment of a Capital Development Fund). I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: GOVERNMENT MOTION NO 13/97—THE PUBLIC FINANCE AND AUDIT LAW (1997 REVISION) (ESTABLISHMENT OF A CAPITAL DEVELOPMENT FUND) PASSED.

The Speaker: Government Motion No. 14/97—The Public Finance and Audit Law (1997 Revision) and The Miscellaneous Provisions (Fees and Duties)(Temporary) Law, 1997 (Environmental Protection Fund).

The Honourable Third Official Member responsible for Finance and Economic Development.

GOVERNMENT MOTION NO. 14/97

THE PUBLIC FINANCE AND AUDIT LAW (1997 REVISION)

~and~

THE MISCELLANEOUS PROVISIONS (FEES AND DUTIES) (TEMPORARY) LAW, 1997 (ENVIRONMENTAL PROTECTION FUND)

Hon. George A. McCarthy: This Motion seeks to establish the fund known as the Environmental Protection Fund, and reads:

“WHEREAS under section 7 of the Miscellaneous Provisions (Fees and Duties) (Temporary) Law, 1997 environment protection fees are to be collected from passengers on vessels and aircraft;

“AND WHEREAS it is necessary to establish an environmental protection fund to ensure that the fees collected are kept separate from general revenue of the Islands and are expended to protect and preserve the environment of the Islands;

“BE IT NOW RESOLVED-

"1)that an environmental protection fund be established in accordance with the powers contained in section 30 of the Public Finance and Audit Law (1997 Revision);

"2)that all environmental protection fees collected under section 7 of the Miscellaneous Provisions (Fees and Duties) (Temporary) Law, 1997 shall be credited to the fund;

"3)that the Legislative Assembly or the Finance Committee may make additional appropriations to the fund from the general revenues, borrowing or other funds of Government;

"4)that disbursements from the fund may only be made in accordance with resolutions made by the Finance Committee, and under the authority of the Financial Secretary, for the purpose of de-

fraying expenditure incurred in protection and preserving the environment of the Islands;

"5)that if at the close of account for any financial year it is found that expenditure charged to the fund is less than the sum appropriated to the fund, the surplus shall be held in the fund for disbursement in future years; and

"6)that the Accountant-General shall prepare a statement of accounts for this fund as part of the Government's annual financial statements."

As I mentioned earlier in presenting Government Motion No. 13/97, this is another of three funds envisaged to be established in the Estimates and also in the Budget Address. In accordance with subsection (1) of section 30 of the Public Finance and Audit Law (1997 Revision), approval is being sought for the establishment of an Environmental Protection Fund.

The purpose of the fund is to manage and control schemes to protect and preserve the environment of these Islands within a separate fund. The Environmental Protection Fund will record monies collected as Environmental Protection Fees under the amended section 7 of the Miscellaneous Provisions (Fees and Duties)(Temporary) Law, 1997. Establishment of this fund will enable monies to be set aside for specific environmental schemes.

I recommend the establishment of this fund to Honourable Members.

The Speaker: Government Motion No. 14/97 has been duly moved. Does any Member wish to speak? (Pause) If not. . . The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker.

In reading this Motion my contribution will be very short. I notice in the 'Resolved' section, number 4 says: **"that disbursements from the fund may only be made in accordance with resolutions made by the Finance Committee, and under the authority of the Financial Secretary, for the purpose of defraying expenditure incurred in protecting and preserving the environment of the Islands. . . ."**

In the Budget document presented to us for the financial year 1998, there is an amount of \$2.04 million to be transferred to the Capital Development Fund. While this was before this Motion, it is now my opportunity to ask, how does the \$2.04 million to be transferred from the Environmental Protection Fund to the Capital Development Fund relate to section 4 of the Government Motion? I think it is important that the Motion, as it calls for, is carried out. I would like an explanation from the Mover as to how the \$2.04 million applies to defraying expenditure incurred in protecting and preserving the environment of the Cayman Islands.

MOMENT OF INTERRUPTION—4.30 PM

The Speaker: Before we go any further, it is now 4.30. If the House desires to continue on, I will entertain a motion for the suspension of Standing Order 10(2).

The Honourable Minister for Education, Aviation and Planning.

ADJOURNMENT

Hon. Truman M. Bodden: Mr. Speaker, I move the adjournment of this Honourable House until Wednesday morning at 10 o'clock.

The Speaker: The question is that this House do now adjourn until 10 o'clock Wednesday morning.

Mr. Roy Bodden: Mr. Speaker, in light of the fact that the Christmas season is fast approaching and we had taken the decision last week to go on until 6.00 in the afternoon, we could go until at least 5.00 this afternoon to allow us to clear off the business at hand. I am moving to proceed until 5.00 this afternoon.

Mr. Linford A. Pierson: Mr. Speaker, I would like to second that motion. I believe that it will not take very long for the mover of this Government Motion (No. 14/97) to clear up that particular point raised by the First Elected Member for George Town. In view of the points raised by the Third Elected Member for Bodden Town, I suggest that we agree to continue until 5.00 so that we can clear up the Government Motion before the House.

Mr. W. McKeever Bush : Mr. Speaker, I have no problem whichever way we go; however, there are two Motions now before the House, which is not allowed. The Leader of Government Business made a motion to adjourn, and the last motion was made by the Third Elected Member for Bodden Town and the Third Elected Member for George Town. There are two motions before the House and that cannot be allowed. But whichever way it goes, I am willing.

The Speaker: The question is that the House do adjourn until 10.00 tomorrow morning. Those in favour, please say Aye. . . . Those against, No.

AYES AND NOES.

The Speaker: The Ayes have it.

Mr. D. Kurt Tibbetts: Can we have a division, please?

The Speaker: Madam Clerk, please call a division.

The Clerk:

Division No. 22/97
(Motion for the adjournment)

Ayes:11
Hon. James M. Ryan

Noes: 4
Mr. D. Kurt Tibbetts

Hon. Richard H. Coles	Mr. Linford A. Pierson
Hon. George A. McCarthy	Dr. Frank McField
Hon. J. O'Connor-Connolly	Mr. Roy Bodden
Hon. Thomas C. Jefferson	
Hon. John B. McLean	
Hon. Truman M. Bodden	
Hon. Anthony S. Eden	
Mr. W. McKeeva Bush	
Miss Heather Bodden	
Mrs. Edna M. Moyle	

Absent: 2

Mr. John D. Jefferson, Jr
Mr. D. Dalmain Ebanks

The Speaker: The result of the division is eleven Ayes, four Noes, two absent. The Ayes have it. The House stands adjourned until Wednesday morning, 17 December 1997 at 10 o'clock.

**AT 4.34 PM THE HOUSE STOOD ADJOURNED UNTIL
10 AM WEDNESDAY, 17 DECEMBER 1997.**

**EDITED
WEDNESDAY
17TH DECEMBER, 1997
11.11 AM**

The Speaker: Prayers by the First Elected Member for George Town.

PRAYERS

Mr. D. Kurt Tibbetts: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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.

The Speaker: Please be seated. Proceedings are resumed.

APOLOGIES

The Speaker: We have apologies from the Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture; from the First Elected Member for West Bay, who will be arriving late; from the Fourth Elected Member for West Bay, who is not well; from the Fourth Elected Member for George Town, who will be arriving late; and from the Third Elected Member for George Town, who is off the Island.

At this time I recognise the Honourable Minister responsible for Agriculture, Environment, Communications and Works.

**STATEMENT BY MEMBER/MINISTER
OF GOVERNMENT**

WEST BAY ROAD JAM-UP

Hon. John B. McLean: I would like to render apologies on behalf of the Public Works Department and my Ministry for the work that is being carried out on the West Bay Road. I would like to ask that employers here in George Town be tolerant with their employees, understanding that the delay this morning was not their fault in most cases. We urgently need the Harquail Bypass, and we have been rushing the project in order to have it ready by the Christmas season. We are presently trying to tie it into the main road.

I would like to say that, as with any inconvenience, at a later date we will find some convenience with this. It is our belief that once this is in place the traffic to and from George Town and West Bay will be flowing much better than at present.

Once again, I would like for employers, especially, to understand that it was a delay in regard to road works this morning. I also received a lot of complaints from persons with cellular phones and we are trying to do our best to speed this up. It is something we have to do the right way or it will definitely not work.

The Speaker: Presentation of Papers and Reports. The Community College of the Cayman Islands Annual Report 1996/1997. The Honourable Minister for Education, Aviation and Planning.

**PRESENTATION OF
PAPERS AND REPORTS**

THE COMMUNITY COLLEGE OF THE CAYMAN ISLANDS ANNUAL REPORT 1996/1997

Hon. Truman M. Bodden: I beg to lay on the Table of this Honourable House the Community College of the Cayman Islands Annual Report 1996/1997.

The Speaker: So ordered.

Hon. Truman M. Bodden: What I say on this will also apply to the other paper, which is the financial statements. I am wondering if it would be better if I lay the

second one and just speak on both. I think it would save time.

The Speaker: That will be fine.

**FINANCIAL STATEMENTS OF THE COMMUNITY
COLLEGE OF THE CAYMAN ISLANDS - 31ST DE-
CEMBER, 1996 AND 1995**

Hon. Truman M. Boddén: I beg to lay on the Table of this Honourable House the Financial Statements of the Community College of the Cayman Islands - 31st December, 1996 and 1995.

The Speaker: So ordered.

Hon. Truman M. Boddén: The Community College has, especially over the past few years, been a very excellent example of the way an educational institution can be developed. It caters to the education of a very broad spectrum of people in the Cayman Islands. It covers not only people who wish to continue their education later on in life, but it deals with students coming out of school who wish to further their education.

The 1996 academic year was very significant in that we saw the introduction of the Associate Degree programme for the first time. We are now a fully comprehensive institution giving equal priority to academic, technical and vocational, professional, community service programmes and courses; in other words, we cover the full spectrum of education.

I would like to thank you, Mr. Speaker, and all Members of this Honourable House for joining me at the Community College and touring the campus, seeing the work going on there. It is good to see firsthand exactly what is going on. Members were able to get a much better feel for the efficient way in which the tuition at that college proceeds.

In August 1997 we were happy to welcome two Caymanians, Ms Juliette Johnson, who joined as the Head of Hospitality Studies Department, and Ms Julie Adams as Coordinator for Student Personal Services. We have seen expansion in several areas and the completion of the library.

The most significant developments during the last academic year were in the curriculum. In September 1996 the College offered seven full-time, one-year technical and vocational certificate programmes in: Auto Mechanics, Construction, Electronics, Electricity, Business Secretarial, Business Commercial, Hospitality Studies and Professional Cookery; and three part-time professional programmes in Accounting, Insurance and Banking; 'A' Levels in Economics, Geography, History, Chemistry, Physics, and Mathematics; and a wide variety of academic, technical, vocational, professional and leisure courses in their evening programme.

The College has been responsive to the changing needs of the Caymanian work-force and three new programmes, an Associate of Arts Degree in Condominium Management, a Certificate in Computer Applications, and a Certificate in Banking were developed and approved for

introduction in September of this year. The College also saw the need for flexibility in the short-term course offerings and created two academic positions in computing and business studies. Also in September of 1997 the College began a wide variety of one- and two-day courses in Computing and short courses in Accounting, English and other business related areas.

The most significant innovation, however, was the introduction of Associate Degrees in 12 areas of specialisation in September 1996. This was, by far, the most demanding and challenging of the new offerings, not only because there was need for policies and procedures, but the syllabus for each of the 87 subjects had to be written, and resources acquired. The added responsibility was to ensure that these degrees were accepted by overseas institutions. I am happy to say that an agreement was signed first with the University of Tampa, which allows the transfer of up to 64 credits. The University of North London, England, has confirmed that they will consider applications from students of the College who have completed the Associate Degree programme. The University of Miami, the Florida Institute of Technology, the University of Colorado and Howard University have all confirmed that they will accept the Associate Degree from the Community College.

There are other institutions, such as Stetson University and University of South Florida, that have given permission to their students to take courses with the Community College with a transfer of credits. In addition, the United States Department of Veteran Affairs has approved the Community College as the centre for studies leading to Associate Degrees in computer studies. We do not foresee, but we expect that more and more colleges in the United States and United Kingdom will accept degrees from the Community College. There are articulation arrangements now with the University of the West Indies for the Associate Degree in physical science and this is ongoing.

As you know, Mr. Speaker, the Community College has for many years now carried programmes that assisted the people of the Cayman Islands in dealing with the continuation of their studies, be they academic, technical or vocational. Twenty-six programmes are offered and a wide variety of courses.

Since 1992 we have seen an annual increase in the number of part-time students enrolled at the College, and I am happy to say that in September 1997 more than 70% of those enrolled were Caymanians and more than 60% were female. The enrollment is also healthy in the Associate Degree programmes. In September this year, 78.8% of the 120 students enrolled in this area were Caymanian and the remainder are from 12 overseas countries. I merely state these statistics to show that the Community College is fulfilling a major role in the education of our Caymanian people.

It is a success. If all of my other Statutory Authorities (although I must say the Civil Aviation Authority has been about as trouble free as this) were as trouble free and as carefully developed as the Community College then life would be much simpler.

The programme that the College now has with the certificate programmes is so structured that it requires students to be on campus for two and one-half days and employed for two and one-half days. This permits them to put time in work and in study. The other certificate programmes require persons to be on campus four days per week, with one day of work experience attachment.

I would like to thank the Principal of the Community College, the Board of Governors of the College and the Chairman. I also would like to thank the staff at the Community College and the staff at my Ministry who deal specifically with this. I would like to thank my Permanent Secretary and Mr. Michael Carter, the senior assistant PS who deals with Education generally, for all the hard work they have put in, thus making the Community College a very successful College which is filling a role so important to Caymanians. That role is complementary to and in many ways compatible with the International College of the Cayman Islands which also fulfills a very important role in education, as does the Law School with specialised training for lawyers and persons earning diplomas in Law for other professions.

Education in Cayman, with the Community College, International College of the Cayman Islands (ICCI), and the Law School, covers a broad spectrum and gives a wide opportunity for Caymanians to train and move upward. My one plea is for Caymanians to take advantage of higher education in Cayman and to work towards higher qualifications which will put them in a key position to advance upward in whatever area of work they may choose. We are never too old to increase our education, to widen it, to look at further horizons. One thing I believe bears as true as it did when an elderly gentleman said to me many years ago is that time spent in education is time that is best spent. I believe that despite the fact that there is less and less time as these islands advance, I would ask that Caymanians make every effort. . . and I know that the many companies here assist their staff with education. I ask them to please take advantage of higher education in Cayman and abroad and use their time well to further educate themselves.

I am very proud that I spent some nine years in higher education. I encourage others to think of the qualifications they need to move into key positions in business and industry in this country.

I would like to thank the Principal, the Chairman and the Board of Governors of the Community College for a job well done and ask them to keep up the good work. I ask Members of this Honourable House to continue to support the Community College in its endeavour to achieve more and higher education in relation to Caymanians and the people of these islands.

The Speaker: Civil Aviation Authority of the Cayman Islands Annual Report 1995. The Honourable Minister for Education, Aviation and Planning.

CIVIL AVIATION AUTHORITY OF THE CAYMAN ISLANDS ANNUAL REPORT 1995

Hon. Truman M. Bodden: I beg to lay on the Table of this Honourable House the Civil Aviation Authority of the Cayman Islands Annual Report 1995.

The Speaker: So ordered.

Hon. Truman M. Bodden: Mr. Speaker, 1995 proved to be a year of sufficient change at the Civil Aviation Authority, including changes in both the chairmanship and management of the organisation. Our first Caymanian Director, Mr. Sheldon Hislop, retired and was succeeded by a new Caymanian Director, Mr. Richard Smith.

There were other personnel changes, including the appointment of a much needed Financial Controller and a full-time Air Worthiness Operations Officer. Air Traffic control took a step forward in 1995. The CAA successfully acquired and installed a new Air Traffic Control Communications Switching System. The new equipment is in line with advanced technological developments in the field. This will allow for more efficient air traffic control operation.

Aircraft movements handled by the Air Traffic Control Unit in Grand Cayman increased by 12% while aircraft movement handled by Cayman Brac saw a slight decrease. This was due to the change in Island Air Ltd.'s operations, with direct service to Little Cayman rather than shuttling across. It put direct service to both Cayman Brac and Little Cayman.

The flights at both airports remain at a fairly high level. Passenger movement continued in an upward trend. As in the previous period reflecting higher demand from European and North American regional destinations, British Airways and Caledonian started a scheduled charter service. The combination of scheduled and chartered flights gave rise to a 6% increase. A total of 802,798 international passengers were handled and international freight increased by 2.5%. Domestically, 52,800 passengers were handled between Cayman Airways and Island Air which was an increase of 5% over the 1994 figures.

Plans for extending the Arrival and Departure Halls were drawn up and, as we know, have been completed. This has assisted congestion during peak hours. In 1995 the CAA contributed \$2 million to Government and turned a profit of over \$800,000.

I would like to thank the past Director of the Civil Aviation Authority, and the present Director especially for his work, as well as the members of the Civil Aviation Authority who have worked hard to keep the Civil Aviation Authority as a top Authority in the Caribbean and in the world. They have worked efficiently with the staff. I would also like to thank the staff at the Civil Aviation Authority and my Ministry, especially Miss Amy McLaughlin who deals with this part of my Ministry's work.

As you know, Mr. Speaker, this culminated in the Civil Aviation Authority being granted a number one category —being the first in the Caribbean where the FAA, the US Federal Authority, the Department of Transport in the United Kingdom, and the International Air Transport Association accepted that the standards were that high. We were the first Caribbean country to be awarded a

category one certificate, which means there are no restrictions whatsoever, and that the safety of the operations of the Civil Aviation Authority are of the highest standard required around the world.

Mr. Speaker, this Authority has been run efficiently. It is very aware of the heavy responsibility that rests on the shoulders of the Director of Civil Aviation, as well as the Civil Aviation Authority, to ensure safety—and safety is first among them. When that has been tested internationally, and we have been granted the category one, Mr. Speaker, it says a lot for the work of the Civil Aviation Authority. I am very proud to know that, as was the past Director, the present Director is a Caymanian. It shows that the potential for Caymanians to rise to the top is there, but it takes hard work and continued education. It takes sacrifice, which comes with being at the top. So I am very happy, Mr. Speaker, to lay this Report on the Table for another successful year at the Civil Aviation Authority.

The Speaker: The First Interim Report of the Select Committee of the whole House on Immigration Law, The Local Companies (Control) Law, and The Trade and Business (Licensing) Law. The Honourable Second Official Member.

THE FIRST INTERIM REPORT OF THE SELECT COMMITTEE OF THE WHOLE HOUSE ON THE IMMIGRATION LAW, THE LOCAL COMPANIES (CONTROL) LAW, AND THE TRADE AND BUSINESS (LICENSING) LAW

Hon. Richard H. Coles: Thank you, Mr. Speaker. I beg to lay on the Table of this Honourable House the First Interim Report of the Select Committee of the whole House on The Immigration Law, 1992, The Local Companies (Control) Law, (1995 Revision), and The Trade and Business (Licensing) Law, (1996 Revision).

The Speaker: So ordered.

Hon. Richard H. Coles: Thank you, Mr. Speaker. This Select Committee was established by the Legislative Assembly on the 21st of April of this year with the passing of Government Motion No. 1/97, moved by the Honourable First Official Member responsible for the Portfolio of Internal and External Affairs. The Motion reads as follows:

“WHEREAS there is considerable inter-relationship between the Immigration Law, 1992, the Local Companies (Control) Law (1995 Revision) and the Trade and Business (Licensing) Law (1996 Revision);

“AND WHEREAS there has been considerable passage of time since these Laws were enacted or substantially amended;

“AND WHEREAS a Select Committee entitled ‘Select Committee (of Elected Members) Control of Local

Businesses’ made certain recommendations in its final Report to this Honourable House;

“BE IT NOW THEREFORE RESOLVED THAT the Immigration Law, 1992, the Local Companies (Control) Law (1995 Revision) and the Trade and Business (Licensing) Law (1996 Revision) be referred to a Select Committee of the whole House, without prejudice to the final Report of the Select Committee (of Elected Members) Control of Local Businesses, for review to formulate principles in accordance with which specific amendments to these and any other relevant laws may be drafted and brought to this Honourable House by the Honourable First Official Member;

“AND BE IT NOW THEREFORE RESOLVED THAT, in considering the matter, the Select Committee seek input from the public.”

Mr. Speaker, you appointed me to be the Chairman of that Committee, and as a Committee of the whole House, all Members of this Honourable House are Members. The Committee met four times during 1997, and its interim report, in accordance with Standing Order 74(1), states as follows:

“In accordance with the provisions of Standing Order 74(1), the Committee wishes to report that it has not yet concluded its work, but is in the process of developing a discussion paper which will focus on issues of priority concerns and importance in regard to the Immigration Law. The Committee, in the discussion paper, will endeavour to establish the major immigration concerns, whilst also providing the ramifications of the issues and possible solutions. This paper, once developed, will be published for the public to consider over a period of time, who will then be given the opportunity, within a time-frame, of making representations to the Committee, either orally or in writing.”

Mr. Speaker, the Committee recognises that this whole subject is a very important, complex, and sensitive subject, and for that reason decided to stimulate discussion by producing a discussion paper, which will be made public. That discussion paper is in its initial draft stage, and has been partially considered by the Committee, but there is still more work to be done on it. Once it has been refined, it will be given as much publicity as possible. It is intended to be a focal point to stimulate discussion, but in no way restricts that discussion merely to the subject matter of the paper. In other words, the public will be able to give input to the Committee on anything that relates to Immigration. It was felt that this discussion paper would provide a focal point, and will hopefully assist the public in giving input. Then it will be open to the members of the public who wish to let the Committee know their views, either in writing, or by making application to the Clerk of the Committee to give oral evidence. However, that will be properly advertised in the local press, and there will

be ample opportunity, as I said, for public input which the Committee certainly seeks.

The Committee also decided to try to make this somewhat simplified, and will deal with the Immigration Law first. So this discussion paper will confine itself to Immigration matters; and then will deal with the Local Companies (Control) Law and the Trade and Business (Licensing) Law in either separate discussion papers or possibly a discussion paper dealing with those two Laws. It was felt that to have one discussion paper dealing with all three Laws would only confuse rather than clarify matters.

I will continue with the printed report now. **“The Committee urges all members of the public to play an active part in the Committee’s work, and it is hoped that the discussion paper will arouse much thought and debate, and solicit constructive representations to assist the Committee in arriving at sound recommendations on what will perhaps be quite sensitive and moral issues. It is also anticipated that a discussion paper in regard to the Local Companies (Control) Law (1995 Revision) and the Trade and Business (Licensing) Law (1996 Revision) will also be developed and published for public input as well.”**

Mr. Speaker, I would also say that the Committee will be recommending its work as soon as possible in 1998, with a view to this discussion paper being made public during the course of 1998. Thank you, Mr. Speaker.

The Speaker: The First Interim Report on the Select Committee of the Whole House on the Standing Orders (1997 Revision). The Honourable First Official Member.

THE FIRST INTERIM REPORT ON THE SELECT COMMITTEE OF THE WHOLE HOUSE ON THE STANDING ORDERS (1997 REVISION)

Hon. James M. Ryan: Thank you, Mr. Speaker. I beg to lay on the Table of this Honourable House the First Interim Report of the Select Committee of the Whole House on the Legislative Assembly Standing Orders (1997 Revision).

The Speaker: So ordered. Do you wish to speak to it?

Hon. James M. Ryan: Thank you, Mr. Speaker.

The Select Committee of the Legislative Assembly Standing Orders (1997 Revision) was established by the Legislative Assembly on the 19th day of June of this year, with the passing of Government Motion 9/97, moved by myself. The Motion read:

“WHEREAS it is many years since there has been a general review of the Standing Orders of this Honourable House and it is now desirable that this should be undertaken (subject always to the provisions of the Cayman Islands Royal Instructions,

1972, and of the Cayman Islands (Constitution) Order, 1972, as amended);

“NOW THEREFORE BE IT RESOLVED that this Honourable House shall review its Standing Orders and make such amendments as it deems fit.”

In accordance with the provision of Standing Order 78(2), the Committee consisted of the whole House, and I was appointed Chairman. Thus far the Committee has held one meeting. With this interim report the Committee, in accordance with the provisions of Standing Order 74(1), wishes to report that it has not yet concluded the matter of reviewing the Standing Orders and wishes to advise that the work of the Committee continues.

With that, I simply wish to state that the Committee will continue its work early next year and we will work as expeditiously as possible.

The Speaker: First Interim Report of the Select Committee (of the whole House) on the Elections Law (1995 Revision). The Honourable First Official Member responsible for Internal and External Affairs.

FIRST INTERIM REPORT OF THE SELECT COMMITTEE (OF THE WHOLE HOUSE) ON THE ELECTIONS LAW (1995 REVISION)

Hon. James M. Ryan: I beg to lay on the Table of this Honourable House First Interim Report of the Select Committee (of the whole House) on the Elections Law (1995 Revision).

The Speaker: So ordered.

Hon. James M. Ryan: Like the earlier Select Committee, this Select Committee (of the whole House) on the Elections Law (1995 Revision) was established by the Legislative Assembly on 21st April, 1997, with the passing of Government Motion No. 2/97, moved by myself. The Motion reads as follows:

“WHEREAS there has been a considerable passage of time since the Elections Law was enacted;

“BE IT NOW THEREFORE RESOLVED THAT the Elections Law (1995 Revision) be referred to a Select Committee of the whole House for review and for it to formulate principles in accordance with which specific amendments to this and any other relevant laws may be drafted and brought to this Honourable House by the Honourable First Official Member.”

In accordance with Standing Order 72 you, Mr. Speaker, nominated me to serve as Chairman of this Committee of the Whole House. Thus far the Committee has held one meeting. In accordance with the provision of Standing Order 74(1), the Committee wishes to report that it has not yet concluded the matter of reviewing the

Elections Law and wishes to advise that the work of the Committee continues. We will resume in early 1998.

The Speaker: Annual Report of the Water Authority of the Cayman Islands for 1996. The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

ANNUAL REPORT OF THE WATER AUTHORITY OF THE CAYMAN ISLANDS FOR 1996

Hon. John B. McLean: I beg to lay on the Table of this Honourable House, the Annual Report of the Water Authority of the Cayman Islands for 1996. As this was under the Chairmanship of another Minister, I do not care to speak to it.

The Speaker: So ordered.

The Financial Statements of the Port Authority of the Cayman Islands - December 31st 1996 and 1995. The Honourable Minister for Tourism, Commerce and Transport.

THE FINANCIAL STATEMENTS OF THE PORT AUTHORITY OF THE CAYMAN ISLANDS DECEMBER 31ST 1996 AND 1995

Hon. Thomas C. Jefferson: I beg to lay upon the Table of this Honourable House the Financial Statements of the Port Authority of the Cayman Islands - December 31st 1996 and 1995.

The Speaker: So ordered.

Hon. Thomas C. Jefferson: The year 1996 saw the Port Authority earning income of approximately \$6.8 million with expenditure of \$5.1 million, and a net income for the year of approximately \$1.7 million. In that year the Port Authority contributed to the Government's general revenue approximately \$.5 million.

It is fair to point out that these Financial Statements cover two Port operations, one in Grand Cayman and the other in Cayman Brac. When looking at Cayman Brac, the total income for 1996 was \$246,700 with operating expenses of \$412,000, thus sustaining a loss of \$165,000. I must say that the revenue is increasing in relation to the total operating expense, and we hope to see in the not-too-distant future a break-even period for Cayman Brac.

I think Members of the Legislative Assembly and the public realise that the funding for the Brac operation is done from the Grand Cayman Port. Over a period of time the funding is in the area of \$2.7 million (I cannot locate the page at the moment).

We recently celebrated the 20th Anniversary of the Port Authority, and I believe the public was well informed by the supplement in the *Caymanian Compass* together with the special documentary which was aired on Cayman 27 Television. At this point I will take my seat, but before doing so I wish to compliment the members of the

Port Authority Board, management and staff for the excellent work done over the years, most recently in 1996 and 1997.

The Speaker: The Traffic (Seat Belts) Regulations 1997. The Honourable Minister for Tourism, Commerce and Transport.

THE TRAFFIC (SEAT BELTS) REGULATIONS 1997

Hon. Thomas C. Jefferson: In accordance with section 113 of the Traffic Law, I beg to lay on the Table of this Honourable House The Traffic (Seat Belts) Regulations 1997.

The Speaker: So ordered.

Hon. Thomas C. Jefferson: I first have to say that the earlier version of this regulation circulated some days ago has been superseded by the regulation circulated this morning. There was a small technical point which required some amendment.

I know that members of the public have for a number of years been wishing for the Government to pass regulations to cause the wearing of seat belts to be mandatory with the specific purpose of the passenger's safety. I believe that this regulation could not come at a better time. I realise that the Christmas season is upon us, and perhaps we will not get it gazetted in time to come into force before that day, but I believe that it is in the best interest of the public—residents and visitors alike—to have a regulation requiring seat belts to be worn.

I am grateful for all of the support and input given to me by all Members of this Honourable House and the public, and I thank you, Mr. Speaker.

The Speaker: Government Business, Bills, Suspension of Standing Order 46 to enable the Planning (Amendment) (Advertisement Control) Bill, 1997, to be taken. The Honourable Minister for Education, Aviation and Planning.

GOVERNMENT BUSINESS

BILLS

SUSPENSION OF STANDING ORDER 46

Hon. Truman M. Boddin: Mr. Speaker, I beg to move the suspension of Standing Order 46 to enable us to take the Planning (Amendment) (Advertisement Control) Bill, 1997.

The Speaker: The question is the suspension of Standing Order 46 to enable us to take the Planning (Amendment) (Advertisement Control) Bill, 1997. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. STANDING ORDER 46 SUSPENDED TO ENABLE THE PLANNING (AMENDMENT) (ADVERTISEMENT CONTROL) BILL, 1997, TO BE TAKEN.

The Speaker: First Reading.

FIRST READINGS

THE PLANNING (AMENDMENT) (ADVERTISEMENT CONTROL) BILL, 1997

Clerk: The Planning (Amendment) (Advertisement Control) Bill, 1997.

The Speaker: The Bill is deemed to have been read a first time and set down for Second Reading.
Second Reading.

SECOND READINGS

NATIONAL PENSIONS (SUSPENSION) BILL, 1997

Hon. Julianna O'Connor-Connolly: I beg to move the second reading of a Bill for a Law to suspend the operation of the National Pensions Law, 1996, and for incidental and connected purposes.

The Speaker: The Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture.

Hon. Julianna O'Connor-Connolly: This short, yet important, Bill seeks to suspend the operation of the National Pensions Law, 1996 (which came into force on 1st July, 1997), until the suspension is lifted by an order made by the Governor in Council. A period of suspension is necessary to allow further time for employers to prepare for the introduction of the secondary legislation and for the Government administrative arrangements to be completed.

At this time I would also like to give notice that I will be seeking to move an amendment to the Bill which will set a specified date in a substantive provision of the Bill.

Members of the. . .

The Speaker: May I interrupt you for just a minute?

I should say that under Standing Order 52(2) I have given permission to waive the required time. Please continue.

Hon. Julianna O'Connor-Connolly: Members of the public are aware that the National Pensions Law, 1996, was passed in this Legislative Assembly in July 1996. The legislative package came about largely as a result of the Ministry's initiative to implement Government's policy on this important subject. It was done largely through the

work of the National Pensions Plan Advisory Committee established in June 1994, which submitted its report in August of 1995.

The entire initiative was indeed an historic one in the sense that it involved a very broad array of individuals, professionals and trade organisations, as well as local and international expertise. Overall, there was a significant amount of public consultation which was done in a spirit of genuine partnership with a view to developing a national system which was, first of all, workable, acceptable and beneficial for all employees and employers in the Cayman Islands.

In order to allow for sufficient time to conclude all pending matters such as approval of the numerous regulations, appointment of the Superintendent of the National Pensions Board, registration of the Pensions Plans, Government adopted with the Ministry at the time that there would be a grace period of six months which would actually conclude at the end of December. This general extension was done under advice that it could have been accommodated under section 6(2) of the Law. The extension was well received by the employers and providers who were all affected by this Law.

Section 95, subsections (1) and (2) of the National Pensions Law dealing with the commencement allowed for the staggering in of different provisions of the Law which was deemed expedient for the orderly implementation of the provisions for the purposes of this Law. However, in the Commencement Order no such conditions were adopted.

It is felt that all the unfinished business could have been completed by the Ministry, but for whatever reason it is still outstanding. I am sure that Members will appreciate that I am a new Minister and I am speaking as I found it.

There were a number of delays with the following aspects which were crucial to the completion of this matter:

- 1) There were delays in securing contractual arrangements for the technical assistance and the review of the regulations and the drafting of the actuarial valuation for the regulations.
- 2) There were delays in securing authorisation for the lease of office premises. That, I am happy to say, has been put in place since I have been in the Ministry. So there is a very genuine commitment despite the Marl Road rumours.
- 3) There were delays in the recruitment process for the important post of Superintendent and for the Administrative Officer. Again, since taking the Ministry, my PS has attended the United Kingdom for the short-listing and interviewing of such persons. That shows that the commitment is there by this Minister and the Government as a whole.
- 4) There were also delays in the selection and appointment of members to the National Pension Board. To-

gether with the superintendent of Pensions and the appointment of this Board (which is quite an important Board). . . if the Law went into force on 1st January, there would not be a regulatory body in place. I am sure that Members are aware of the legal ramifications of the same.

These delays caused, what are in my humble and respectful submission, valid reasons for what seemed to be a generous period between the passage of the Law and the enforcement to be deemed insufficient. Additionally, due to the state of implementation of the said legislation, employers who are not offering or subscribing to a pensions plan may now technically be in contravention of the Law. While these parties may not necessarily be at fault they could, by their ignorance or otherwise, technically be liable to the penalties as stipulated in section 4(3) of the Law, or other penalties contained therein.

Everyone is aware that from September until fairly recently Executive Council was significantly preoccupied with First Cayman Bank and other imminent matters. These heavy commitments did not leave much flexibility to deal with these complex matters. Having read it several times, even as an attorney, I can say that there are complex matters, and may no one attempt to fool the public in this regard.

It is also obvious that the change in the Ministers is also another important consideration in all of this. At present there are deferred matters that have not yet been dealt with on Executive Council's agenda. I should say at this juncture that it seems somewhat unreasonable to expect the new Minister to collate and bring this comprehensive and complex legislation, seeing that it should have been brought from September 1. Perhaps those who are now opposing it can answer those questions when they stand upon this Honourable floor.

Due to the factors as outlined herein, the Commencement Order was approved by Executive Council and the grace period was put in place for the commencement on 1st January, 1998. After very careful consideration it was felt prudent to bring this Bill seeking a suspension of the Commencement Order. It is the intention of this Ministry and the entire Government to bring the requisite legislation at the very next meeting of this Honourable House, being the March meeting, with the regulations to follow thereafter.

My Ministry has submitted the Bill to the Legislative Assembly for circulation, and all Honourable Members should be in possession of the same by this time. The Bill, as stated, is a Bill for a Law to suspend the operation of the National Pensions Law, 1996, to allow further time for employers to prepare for the introduction of the legislation and for Government's administrative arrangements to be finalised so as to be fully prepared to administer the Law.

On behalf of the Government, I sincerely apologise for any inconvenience this delay has or will cause employees, employers and prospective approved providers. I trust that the enthusiasm and partnership of everyone

will remain in tact, and that in the very near future we can have this long overdue initiative fully implemented.

To those employers who have been pro-active in upgrading their plans, or who are now subscribing to a new plan which complies with the Law, I urge you to continue with your contributions. I also urge all others to continue to prepare early so as to be in compliance with the Law when its new commencement date comes into force, which is anticipated to be 1st June, 1998, if passed.

In anticipation of Members' support, I thank each one for their cooperation in this matter, and I trust that they will agree with the Government that at this stage there was no other practical and reasonable option available to us. I look forward to their contributions at which time I will have more to add in my response.

Thank you, Mr. Speaker.

The Speaker: The question is that a Bill entitled, The National Pensions (Suspension) Bill, 1997, be given a second reading. It is now open for debate.

The Third Elected Member for Bodden Town.

Mr. Roy Bodden: The National Pensions (Suspension) Bill, 1997, raises several important matters and poses serious questions with regard to the preparedness of the Government, and its political will to implement a measure that has been greatly debated, discussed, long overdue, and now I can add long accepted.

The history of the idea of a national pension in this country has been mooted by many persons in these hallowed Chambers. Certainly, one can recall the efforts of what the National Team Government likes to describe as the "previous Government" and the debate surrounding the efforts of the former Minister to get some form of pension in the country.

Following those efforts (which for one reason or the other did not come to fruition), when the National Team took over there was a great national hullabaloo when the idea of national pensions was proposed by the former Minister, the First Elected Member for West Bay. It is accurate to describe the state of affairs of the country as being thrown into flux. There were many camps—some vehemently and vociferously in favour, some vehemently and vociferously opposed. Time and events, however, mellowed the Opposition into a kind of tacit acceptance. It is safe to say that up to this point the country had been lulled into some expectation that the Bill would be coming into effect in January 1998.

This culminated in the efforts of many people, not least of which were the providers of the pensions, who sought to go around holding seminars and presentations, campaigning, soliciting and cajoling. Employers themselves played a significant role because they impressed upon their employees the necessity to protect themselves by subscribing to one of these plans.

This is a good point to interject that according to the press and common knowledge there were three providers in the forefront. It is safe to say that a good start had been made. There was the plan that the Chamber [of Commerce] had, then British Caymanian came on line,

and the most recent one, called Silver Thatch, emanated from a joint effort between Coutts and MeesPierson. What I like about that is that the public had a choice. The competition was good and the providers took a responsible attitude. I have my bias, and have been quite contentedly enrolled in a plan by one of these providers for some time, prior to the legislation coming into effect. I also followed the progress of the competitors and was satisfied to know that they offered what was, according to the Law, a reasonable plan.

We have to consider that people in this part of the world are not really disciplined or accustomed to saving money for the distant future. Not that we lack the capacity to discern the distant future, but partly because of the pressures of living and, I suppose, exposure to television and consumerism, we often fall into the temptation of tucking money away in a bank account. This is good, but the weakness is that it is too easily accessible once we put it into a savings account, or a current account, or even worse, a checking account. I think it is nationally recognised that there is a necessity to set aside for the long term in a more permanent way. That is the strong point of pension plans and that is what all of these plans allow to be done.

I also received many complaints when it was announced that the Pension Plan Law was going into effect about merchants raising prices in anticipation. Quite naturally so. There was, however, no corresponding raise in wages and, indeed, some establishments sought to explain that they were not in a position to give employees a raise because they were going to use that part of their contribution to the Pension Plan in lieu of a raise. What happened was that prices were raised but wages were not because employers told employees they were going to use what they would have given as a raise as their 5% contribution into the Pension Plan. There are those who are prepared to argue that that is legally wrong. I cannot take the legal argument, but I can certainly say that it seems to be a question of morality and may not be ethically in order. However, it was generally accepted. Efforts, for the most part, by employers and employees were well accepted.

For the Government to now delay—when they are so near to this becoming Law, and when the whole country has made preparation and provision and has generally accepted that this is a given. . . . I also noticed that on the initial Suspension Bill there was no time limit. The Government, realising its position of weakness and knowing it was going to be taken to task, was quick to bring an amendment taking on the 1 June, 1998.

While that may be some attempt to alleviate the concern, I say it is still not good enough. Any delay at this point must call into question the responsibility and political will of the Government to implement this. I smell a skunk! I think there is some ulterior motive. That motive, believe you me, Mr. Speaker, will not escape us for long because we have been searching and perusing, and we believe that we are upon it.

I have to ask: Were the providers consulted as to the kinds of effects this delay might have? I am glad to see

that the Government Members are so interested and so concerned that they are studiously researching the Hansards. I guarantee you that by the time they have finished, they will have to research more than Hansards—they might even have to research the Bible!

I have to wonder if any input from the providers regarding this delay was sought. Why is that important? Because I happen to know that these providers (at least one of them) went to great lengths to stage an elaborate presentation. I understand from others that there was an element of cooperation among the providers which is scarce and seldom seen in the cut-throat business of finance, insurance and economics.

The point I wish to make is that delaying implementation at this point is going to put pressure on the providers. I have to ask if, after all the expense to which some of them have obviously gone to with presentations, seminars and re-routing and redistributing of staff, and so on and so forth, if there is not going to come a point where these people are going to say, *'Enough! We have expended enough money and do not see any visible return in sight. Before we sink any more money into what may well be an exercise which may not come to fruition, we will draw back.'* Mr. Speaker, that is not impossible. I want to know if the Government has held any discussions with the providers to assure them that such a situation will not exist. I look forward with eager expectation to what the Minister will have to say in regard to this question.

I note the excuses, and I have to wonder when I group them together if there was not some implicit attempt to blame persons who previously held responsibility for the implementation of this. Quite frankly, I am surprised that the Government would attempt to have us believe that because all of the mechanisms were not in place this Law could not come into effect.

It was easy for the Government to appoint members to the National Pensions Board. We have a plethora of qualified and knowledgeable people. The Cayman Islands are a haven for lawyers, accounts, insurance people. To say that certain actuarial reports were not available is, again, not a good enough reason. Certainly, we had ample knowledge that these would have been necessary and preparations should have been made.

Regarding the post of Superintendent and Administrator, I understand from the Honourable Minister moving this Bill that certain people have gone to the United Kingdom to recruit for these posts. I have to ask if any attempts were made locally to recruit officers for these posts. We have to shed this habit of looking outside for everyone and everything without looking inside. We have to begin to practice what we so often preach about in these hallowed halls, and we have to first search among ourselves.

I just heard the Minister for Education make a plea (which we all support him in) for Caymanians to come forward and educate themselves in order to take advantage of the opportunities offered. We have to be sure that when our people do that, we, in positions of responsibility, take them the next step by exercising confidence and

giving them the opportunities. I believe there were persons in this jurisdiction who could have handled the posts of Superintendent and Administrator of the Pensions Board.

I hope that there is no loss of interest with this delay. I understand from at least one provider that as the deadline was approaching there was a rush of persons to sign up into plans. That is not uncommon. That seems to be the nature of how we operate—we wait until the last possible minute to do something. My informant told me that the number of people signing up was more than encouraging. When this delay becomes common knowledge, that enthusiasm is going to wane—it will be like pouring cold water over burning coals.

Judging by the effort it took to drum up the enthusiasm in the first place. . . and I vividly recall the former Minister (now First Elected Member for West Bay) at a meeting at the Clarion. I recall the fire that gentleman took. He even had to remind some that they had to be either fish or fowl, they could not be both. Now, you are going to tell me that we are going to lose that momentum because of a group of jumbled excuses? We can find an excuse to delay anything. What we have to do is weigh whether it is better in the national interest to delay, or to implement. Who is prepared to go through this whole education and re-education effort, campaigning from district to district, Town Hall to Town Hall, hotel to hotel? I heard that people were budgeting and saying they had to take it easy because in January they were going to have to begin their National Pension contributions.

I brought a question to this House asking the Honourable Third Official Member responsible for Finance and Economic Development about the inflationary effect. The answer was that it would be around 2.6%. We realise the delay is going to alter this. Let us hope that it alters it in our favour and that the inflationary effect will be less rather than more. You must also realise that you run the risk of it being more rather than less, compounding the situation.

I wonder on what else the Executive Council will blame their preoccupation with the affairs of First Cayman Bank? Any government must be prepared for certain contingencies. To say that they were preoccupied with the affairs of First Cayman Bank to such an extent they could do nothing else, is to say that the Government is one dimensional. Is that what they want to tell us—that they are one dimensional? There are those who argue—and I am one—that their handling of the problems with First Cayman Bank left much to be desired. If they are telling us that because they are one dimensional they could not deal with two things at one time, then I can understand.

I cannot see where the registration of pension plans should delay matters to this extent. I think, for the most part, that the providers already had certain mechanisms in place. I think the least the Government could have done was to have consulted with those providers to see how best this situation could have been rectified. Is it going to be one of these situations where the Government, again, unilaterally decrees something and then all the

people, including the providers, have to tailor their operations accordingly? I do not believe, of all the reasons that I have heard, that I have heard one which is overwhelmingly convincing that this important matter should be delayed for another six months. Delay is dangerous in this case.

Let me say that if we do not get a pension plan in this country the people of this country will eventually have to face some form of taxation they do not have now. We come here screaming about the number of people who are seemingly unable to keep pace—the indigent, those who have marginal incomes and are not able to save enough to tide them over a rainy day. So let the Government beware. They have a serious obligation and a responsibility to not kill this plan.

Just a few days ago the First Elected Member for George Town and I were in the presence of a man who related to us the story of an old lady who is a dishwasher at one of the restaurants around here. She is in her twilight years. She had been enrolled in a pension plan for a few years and has at this point \$16,000. While we know that \$16,000 is not exactly a fortune, depending upon the life span of that old lady (and I hope she lives as long as Methuselah and Noah put together), that gives her dignity in her old age; she will not have to be an indigent begging on the street or depending on some relative who has responsibilities of their own. That is one of the primary reasons why we must get a pension plan in this country. I said that before when I spoke at length about pensions.

Cayman has so evolved that, unfortunately, the progeny cannot take financial and economic responsibility for their parents as they used to do, and want to do as has been the custom. All of us now have our own families and responsibilities—mortgages, car loans, telephone bills, other utility bills and school fees. The lifestyle of the Cayman Islands does not allow us to be as generous and charitable to our hardworking family members and parents who, so deservedly in many cases, need financial assistance from us. If we get this mechanism in place it will ease our moral and financial obligation.

The Speaker: Would this be a convenient time to take the luncheon suspension?

Mr. Roy Bodden: Yes, Mr. Speaker.

The Speaker: We will suspend until 2.15 PM

PROCEEDINGS SUSPENDED AT 12.44 PM

PROCEEDINGS RESUMED AT 2.45 PM

The Speaker: Please be seated. Proceedings are resumed. Debate continues on the National Pensions (Suspension) Bill, 1997. The Third Elected Member for Bodden Town, continuing.

Mr. Roy Bodden: Mr. Speaker, when we took the break for lunch, I was about to make the point that it is a rather awkward position for a new Minister to be in, having to

come to the House and move the withdrawal of business which was, in essence, spawned in some controversy. One could almost draw the conclusion that one's colleagues were rather insensitive and inconsiderate. However, that is not my problem, that is the problem of the National Team. I will not be so presumptuous as to say any more on that.

I noted the Minister's sensitivity to the matter by the fact that she offered apologies for any inconvenience this delay may cause. I also noted with interest her plea beseeching employers to continue to be pro-active in the upgrading of their plans, and in the continuation of their responsibilities.

Mr. Speaker, it is a well known fact that I, like many other persons, held rather strong views regarding the implementation of pensions in the country. Indeed, there was a point at which I was very sceptical—one might even say cynical—about the exercise. However, being one who has always endeavoured to keep an open mind, I saw that the benefits of a pension scheme far outweighed any disadvantages. As time, debate and dialogue progressed I tailored my views, because I was convinced that in the long run the country needed something like this. I think, Mr. Speaker, if I might say so myself, it was a reasonable position to adopt, and is, perhaps, the position of many if not the majority. I think to recognise and be persuaded in the merits of something that one once held an opposing view on is a sign, Mr. Speaker, of intelligence and common sense, and certainly a sign that one is alive and thinking.

I continue to hold the view that the provision of pensions for our people is an excellent provision. Therefore, Mr. Speaker, I have to express my concern over any delay. I might be prepared to consider delaying the implementation until March—a case which could have been made, I think, given some of the reasons outlined.

The notice of this motion coming to the House was moved by the Leader of Government Business, the Honourable Minister of Education and Aviation, even though the Honourable Minister who has responsibility for this matter was in the Chamber. Mr. Speaker, I can only hope that this was a matter of procedure. I also noticed that that Minister was researching the *Hansards*. Mr. Speaker, it is that Member's right and prerogative to search, but when that Minister searches he is usually looking for some kind of bogeyman.

The Speaker: Could I just interrupt the Member speaking for a minute? Would you repeat what you said about moving the motion?

Mr. Roy Bodden: I said that when notice of the motion came to the House, it was made by the Minister with responsibility for Education and Planning.

The Speaker: Not the actual moving of the motion.

Mr. Roy Bodden: Not the actual moving, no, Sir.

The Speaker: Thank you. Please continue.

Mr. Roy Bodden: Mr. Speaker, I do not see the necessity for delay at this time. It is not in the best interests of what is desired. I will find it difficult to support this Bill.

The Speaker: The First Elected Member for West Bay.

Mr. W. McKeeva Bush : Mr. Speaker, I want to apologise for being late today. I was stuck on West Bay Road. I left home at about 9.20 a.m., pulled off the road for about ten or fifteen minutes, and arrived here at twenty minutes to one. I am sorry I was not able to hear the Minister's explanation, but I read what she said in the *Hansard*.

The report of the National Pensions Advisory Committee was submitted to Executive Council in September of 1995, and I believe it is incumbent upon me to provide the House with some of the major highlights of the report, based on the extract from the report which was made public in early 1996. Because of what was said by my colleague, the Minister, I think the House needs to hear all of the matters pertaining to pensions—that is, from day one up to the time I left Executive Council. Perhaps this would not have been necessary, but what the Minister said could mislead the House into believing that there were delays on my part. The Minister said, **"It is felt that all the unfinished business could have been completed by the Ministry, but for whatever reason, it is still outstanding."** Mr. Speaker, there was another area left open for people to believe that the fault was deliberate or otherwise.

Mr. Speaker, in September 1985, I was lucky to have a Private Member's Motion passed by the Legislature. This asked Government to commission a study and report its findings on the feasibility of a contributory pension scheme for these Islands. **"Since that time, there have been two proposals presented by Government, one in 1986-87 and another in 1990-91. These proposals were for a pension system which was, to a large extent, government-controlled, and social security in nature. These proposals were very unpopular, and after much debate and opposition from the public each proposal was shelved."**

"As a result of this debate, much awareness has been fostered on the subject of pensions, and retirement planning generally, amongst the general public. However, in the absence of guidelines or legislation mandating pensions and specifying minimum standards, there has not been a significant quantitative improvement in the availability of pensions for today's working population. As years elapse, a greater number of Caymanians will reach retirement age; without adequate provision for their golden years these older citizens will become a burden on their families and on Government's social welfare purse."

Mr. Speaker, we do not need to stress the problem we have funding what we presently have, much less what will happen if this thing gets left out. What will happen to

Government as far as caring for our old people is concerned?

“A number of pension plans are in existence—for the Public Sector and for several Private Sector employers. While the organisations and businesses who have had the foresight and social responsibility to offer these deferred benefits must be commended for so doing, we must also now accept that many of the plans have to be more closely regulated, and in some cases revamped, if they are to provide a meaningful retirement benefit for the contributors.

“There is minimal monitoring of these plans, and the provisions of these plans are wide-ranging and potentially problematic, for example, with regard to the Vesting period (that is, the length of time required for one to be eligible for retirement benefits); portability (keeping one’s benefits even though one may change an employer); control of the plan, investment guidelines for the fund, and protection of the accumulated funds and reserves.”

Government-operated social security schemes around the world have met with many insurmountable problems, such as underfunding of the ever-increasing benefits, and vague investment policies. We could go on adding to the list. Similarly, privately operated schemes have suffered from some of the same inadequacies, as well as problems associated with the lack of oversight and supervision by a regulatory agency operating under suitable legislation and regulations. Many countries have undergone a period of reform in their pension legislation and system so as to create more viable and accountable retirement benefit systems, and, simultaneously, to encourage greater commitment and participation by contributors, that is, employers and workers.

The Committee shared Government’s concern about the lack of pension provisions for working Caymanians, and those persons working in our Islands. And let me say this up front: There were people in Government (and probably still are today)—and not only in Government, but in the private sector—who did not want people on work permits to be covered. The Committee felt, and I shared the view, that all persons working here, with the exception of domestic helpers, should be covered. So the Committee agreed that the situation would not improve unless pensions were mandatory through legislation which applied to all workers in the Cayman Islands.

“The Committee concurr[ed] with Government’s sensitivity to the fact that any national pension legislation should be workable and acceptable to the people whom it seeks to assist. This is the basis on which that Committee tackled its work and submitted its report.”

The process assumed broad participation and consultation, together with dialogue conducted in an environment of openness, and, I believe I can say, good will. The Committee was hopeful that the life insurance industry and all other pension providers would assist with the smooth implementation of this initiative, by developing and marketing pension plans compatible with the pro-

posed framework now in the Law. Mr. Speaker, I believe I can say that the entire business sector was galvanised into action over the past several months and was prepared to get moving. The Committee also urged that employers and other business and professional associations would be able to move in earnest towards offering suitable pension plans to their employees. As I said, that has happened.

In July 1994, the Governor-in-Council approved the appointment of the National Pensions Plan Advisory Committee. This Committee, comprising fourteen Members representing a broad cross-section of knowledge and expertise from the private and public sectors, began its work in October of 1994. The members of the Committee were myself, as Chairman and Minister at the time; Honourable Truman Bodden, the Minister of Education, who was Deputy Chair; Mr. Mario Ebanks as secretary, who is a Senior Assistant Secretary in the Ministry; Mrs. Edna Moyle, or the Member from North Side as a member; Mr. Leonard Dilbert as Permanent Secretary at the time; Mr. William (Billy) Adam, Miss Juliette Johnson, Mr. Carlisle McLaughlin, Mr. Greg Merren, Mr. John Law, Mr. Hubert Bodden, Mr. Allan Myles, Miss Judy Carlman, Mr. Norman Klein, another lawyer in the private sector.

The Governor-in-Council approved the terms of reference for the Committee, and the Committee set to work. The Committee met on 27 October, and 15 of November, 1994; 18 January 1995; 6 and 28 February, 14 and 28 March; 11 and 25 April; 13 May; 1 July, 6, 21 and 24 August, 1995. However, various assignments were delegated to some members of the Committee to undertake, and ongoing research and co-ordination by Ministry representatives on the Committee was performed in consultation with local expertise.

As the Committee began its work, it set out to consider which types of pension plans were best suited for Cayman’s labour market. In so doing, it identified a menu of prudent, and what I thought were equitable, provisions, guidelines and safeguards which should be in place in order to support Government’s policy on pensions. The Committee felt that pensions should be viewed as a part of the employee’s remuneration package. As such, his contribution, together with the employer’s contribution benefit, would be his right. With that in mind, pension plan benefits would not be used to force an employee’s longevity of service with a particular employer. In order to ensure the highest possible benefit to all contributors, the Committee supported the concept of immediate vesting with allowances for existing plans, as would be discussed later from this report. Therefore the Committee recommended that the vesting period should be reasonable and come into effect immediately upon employment. Under this type of environment, existing plans which had vesting periods of five to ten to fifteen years would obviously have to be amended accordingly. With regard to portability, it was similarly the Committee’s view that as the vested pension of an employee is his right, it should be able to move with him through various specified methods if he moves to another employer.

The Committee undertook a survey of private sector employers to gather information on existing policies and practices regarding the subject. Approximately 800 survey forms were sent to a broad cross-section of employers via eighteen of their respective professional or trade associations, and the Chamber of Commerce. Only a small percentage of these forms was returned, despite several reminders in the media, and contact with the secretariat and officials of several associations.

The Committee recommended that the office of Superintendent of Pensions would be established within the Financial Services Supervision Department, but that was not what was agreed to by Government. It was decided for the Superintendent of Pensions to be kept within the Ministry. Consideration was given in the 1996 Budget for the new initiative. In accordance with standard procedures, the Personnel Department was going to be asked to assist with assessing the staffing needs of this new office. The Committee recommended that during the period when the discussion draft was undergoing public consultation, every effort would be made to create ample opportunity for all interested parties to understand the provisions of the proposed legislation, and to appreciate the philosophy surrounding this initiative. The Committee also recommended that a specific multimedia public awareness and education campaign be mounted prior to and after the passage of the legislative framework. This campaign was coordinated by Government Information Services, and included the Chamber of Commerce pension plan trustees, the Life Insurance Underwriters' Association, the Cayman Islands Bankers' Association, and several other persons.

One matter that caused quite a bit of debate was the Committee's recommendation that the Crown be bound. They sought to allow the provisions of the Law to bind Crown workers in the public sector making them subject to the Law as were their counterparts in the private sector. After some debate, the Government did not accept that recommendation.

In June 1995, the Committee wrote to five leading life insurance companies in Grand Cayman to solicit projections for the contributions needed to fund the national pensions benefit for the working population, based on a series of assumptions provided by it. The Committee requested projected contribution rates for three final pension benefits: 60%, 70% and 80%, providing for a joint and survivor annuity. There were two inflation assumptions used: 3% and 5%; and investment earnings of the fund assets of 6%. The members of each plan were assumed to enter the plan at age 20, with a base salary of \$2,000 per month. Retirement age was assumed at age 60 for men and women. Projections were received from three of these companies, based on a retirement benefit of 60% of final salary.

The Committee anticipated that it would be very likely that there would be those in our community who would bitterly complain that this initiative would impact negatively on the cost of living generally, the cost of doing business, and profitability. It was also reasonable to expect employees to object to any deduction from their

gross salary, a very new concept in Cayman for those employees who are not now participating in a contributory pension plan. While the cost to the public will be one undeniable output of this initiative, the benefits to the employee and the country for the long term will be significant.

Pensions should be viewed by the employer and employee as a deferred remuneration, that is, part of employment package, and not simply as a deduction. National benefits, such as encouraging a saving society, new sources of funding for investments, improved retirement planning and provision, and the reduction in the need for Government intervention with old age assistance, are some of the obvious positive results of this pension plan.

Section 48(2) and (3) of the draft Law provided for the phasing in of the contribution rate over a period ranging from three to five years for employees between the ages of 20 and 45; employees over age 45 would not have the option of a phase-in of the contribution rate. The Committee felt that this phase-in option would help to introduce the discipline to the work force in a more easily acceptable basis. Suffice it to say that the vast majority of people have accepted pensions, and are now ready to contribute and move forward.

The Committee recommended also that the cost of the supervisory and regulatory functions to be offered through the office of the Superintendent of Pensions should be recouped wherever possible. For example, any cost incurred by the office as a result of performing functions, or retaining actuarial services in respect of a particular plan or provider, should be recouped from the same. No one should ask why there has to be some small deduction, because they all said they did not want Government to run the schemes. No one should expect the private sector to run the schemes, incur costs and not recoup those costs.

The Committee also recommended that each approved provider, administrator, or trustee, would have to pay an annual fee to the Superintendent for this privilege. Each employer and self-employed independent contractor would also file an annual return and declaration confirming participation by all employees in an approved pension plan, accompanied by a small fee. This ends some of the background of the Committee's 1995 report.

I would now like to illustrate to the House some of the rationale the Committee used in drafting instructions for the Law. The Committee felt that an overview of how this Law incorporates Government's policy objectives would be useful. It was recommended that this draft be carefully read and studied. (The Committee had by now produced the draft Law.) It was recommended that this draft be carefully read and studied in order to get a clearer understanding of its intent and relationship to other legislation and the workplace in general.

The Applications section of the Law sought to establish the scope of operation in regard to Cayman's workplace and work-force. Section 5 underscored that the Law proposed to prescribe minimum standards, and did not prevent any employer from offering benefits in excess

of these minimums. I will say that again: Section 5 underscored that the Law proposed to prescribe minimum standards, and did not prevent any employer from offering benefits in excess of these minimums.

The Registration and Administration section sought to establish procedures for the application and registration of approved providers of pension plans in this jurisdiction. The certification and ongoing review or oversight of pension plans by the Superintendent of Pensions, the requirements and responsibilities of the administrator of pension plans, the confirmation of portability through the provision and recognition of reciprocal transfer arrangements with other pension plans in other jurisdictions. The proposal allowed for both the defined benefit and defined contribution type of plans.

The Disclosure of Information section set out the information which the administrator was to provide to each member of his pension plan, established procedures for the approval of amendments to a plan, and established procedures for the inspection of records relating to a particular plan.

The Membership section prescribed that all employees who are eighteen years or older and self-employed are required to participate in a pension plan. Regular part-time or casual workers are also eligible participants in a pension plan. As I said earlier, this was later changed to exclude domestic workers. That is how the Law stands today. Domestic workers are not included in the Law.

The Retirement and Vesting section established the normal retirement age of 60 years, and made provision for continuing participation after retirement if a person chose. Provision was also made for non-Caymanians to terminate their membership in a pension plan if they were not residing in these Islands and had not been contributing to an approved pension plan for five or more consecutive years. The suggested Benefit section would provide for the benefits which would be prescribed in regulations.

The Contribution section of the then proposed discussion draft prescribed that all approved pension plans would need to be fully funded, that is, be able to meet all of its pension liabilities. A staggered period to achieve this objective was also proposed. A phasing in of the required contribution rate was also proposed in that section. Procedures for the collecting, custody and payment of contributions were also proposed. Provision was also made for the establishment and regulations of investment guidelines for the purposes of investing the pension contributions.

It was anticipated also that these guidelines would be for a conservative (that is, low risk) portfolio, with a prudent mix of units. There was a salary cap of CI\$60,000 on which contributions would have to be paid. In other words, employees earning more than CI\$60,000 per annum would not have to pay a contribution in respect to the amount in excess of \$60,000.

The Locking In section confirmed that once someone had been a member of a plan for a certain time, he loses the ability to withdraw contributions from the plan.

This does not interfere with the normal portability arrangements or disability and survival benefits which may be prescribed in the Law or regulations.

The section on Winding Up outlined the circumstances which would dictate the partial or full winding up of a pension plan, and the rules and provisions governing the winding up.

The Surplus section confirmed that any surplus in a pension plan would be paid into the fund for the benefit of the contributors and not the employer.

The section on Sales and Transfers and new plans set out the operational parameters of pension plans in the event of a change of ownership of the employer's business, particularly in respect of continuing benefits and terms.

The Orders section set out the basis under which the Superintendent may issue orders for action or remedy.

The Hearing and Appeals section provided for notice, powers of the Superintendent, documentation panels appeal, and other administrative aspects which are self-explanatory.

The Pension Inspectorate section sought to establish the regulatory system, particularly the Superintendent of Pensions, the Advisory Board, and outlined the functions and powers of each. This section also highlighted the importance of safeguarding the accumulated funds by requiring audits, reports to the Minister responsible, and so on.

The General section proposed inspectors, penalties, actions and enforcement. Provision was also made for regulations in this section. This section also suggested a very universal and participative procedure for proposing amendments to the Law.

As I mentioned earlier, the Committee undertook a survey of all economic sectors in these Islands and mailed out 800 survey forms to nineteen associations. I wish to provide the House with a brief overview of a few of the findings from that survey:

- The Cayman Contractors' Association:
Number of forms returned: 4
Number of employees: 210
Question asked, "Do you offer a pension plan?"
Answer: No pension plan.
- The Cayman Islands Restaurant Association:
Number of forms: 3 (When we say 'forms' three companies answered.)
Number of employees: 376
Question asked: "Do you offer a pension plan?"
Answer: 33% offered; 67% said they had no interest from employees.
"What is the vesting period?" Five years.
"Is your plan portable?" No. If they left the job, they left their money. They could not take their plan with them.
- The Cayman Islands Bankers' Association:
Number of forms returned: 27 (that is, 27 companies answered).
Number of employees: 902.

Question asked: "Do you offer a pension plan?"

Answer: 66% offered a pension plan. 34% had no pension plan.

Of those that had a pension plan, 31% were contributory and 69% were non-contributory. The contributory rate was 2-4% from employee and employer. The vesting period: from immediate, 10% per annum for five years, ten years, ages 40-45 with 10-15 years' service. That is how long it would take to get some people even when they start out young, in some plans. "Is the plan fully funded to cover current and future retirement benefits?" 91% said yes.

That, Mr. Speaker, gives the House some idea of what is needed out there, and how urgent it is.

I noted that my colleague, the Minister, said, "**It is felt that all the unfinished business could have been completed by the Ministry, but for whatever reason it is still outstanding.**" Mr. Speaker, in May of last year, after much public input a discussion draft was released. That was the Pensions Bill, in May 1996. In June of 1996 the draft bill was tabled in the House, and in July 1996 the Bill was passed. We all know we went through the electoral process, and in January of this year, Executive Council approved regulations to be released. On 14 March 1997, I made a statement concerning regulations. That statement said that I was ". . . **pleased to be able to release the Discussion Draft of the Pensions Regulations [to the House] today. These are the first two sets of what is intended to be three sets of Regulations. The two sets which my Ministry is able to release today are the National Pensions (Pension Fund Investments) Regulations, and the National Pensions (General) Regulations. As implied in the names, the first set deals with the investment guidelines which any approved pension plan or fund operating in Cayman will have to comply with, and the second set of Regulations deals with a number of general and procedural matters.**

"I would have liked to have released these Drafts earlier, but other considerations and activities impeded this." But as I said, that was on the 14th of March. "**My Ministry appreciates the work of the National Pensions Law Advisory Committee and the Legislative Drafting Department in connection with these Drafts.**

"As the House is aware, the National Pensions Law which was passed in the Legislative Assembly in July 1996, and is scheduled to come into effect on 1st July, 1997, is very comprehensive and contains many of the provisions which are normally contained in regulations. Therefore, by referring to the Law and these Draft Regulations, employers and prospective Approved Providers will be able to assess the 'state of readiness' of their pension plan, or know what they need to do to comply with the legislation.

"I am releasing with the Drafts, a summary of the main sections for ease of reference. Government is seeking the services of outside technical expertise to assist in the Drafting of the third set of Regulations.

This set would deal mainly with valuation procedures for new or existing Defined Benefit Pension Plans, as well as various actuarial provisions. I hope to have this third set available for review some time in April. Subject to the results of this public consultation exercise, it is my Ministry's intention to take the Regulations to the Legislative Assembly in June for the Affirmative Resolution which is required under section 94 (6) of the National Pensions Law."

Mr. Speaker, due to the long delays with the 1997 Budget approval (which, as we all should remember, was set down for February but was then delayed and did not come to the House until March of this year, and did not get finalised until May of this year), and with delays in legal advice pertaining to the contract with the consultants, the Ministry could not execute a contract with the successful consultant, that is, Towers Perrin. We could not because the Budget had not been finalised.

I further quote, "**My Ministry would appreciate receiving written feedback by the end of April. If necessary, meetings can be held with associations, employers or individuals during this consultation period. Early feedback is needed as this may impact the drafting of the third set of Regulations. Copies of the Draft Regulations can be collected from my Ministry or from the Legislative Assembly.**"

"Finally, let me say that in tandem with the drafting of Regulations and any necessary tidying-up of the legislation, Government will also be making arrangements for the institutional framework—particularly the Superintendent of Pensions. It is hoped that the office of the Superintendent can be established by June, so that when the Law comes into effect on 1st July we will have ample time to ensure that all employers are in compliance with the Law by 1st January, 1998.

"Government has not yet approved or registered any firms or individuals as Approved Providers, however I encourage all employers (including self-employed persons) to review any proposals which are presented to them and to seek advice from my Ministry if necessary."

The Speaker: If you are going to go to another subject, would this be a convenient time to take the afternoon break?

Mr. W. McKeever Bush : Yes, I was going to another point in that statement, Mr. Speaker.

The Speaker: We will suspend for fifteen minutes.

PROCEEDINGS SUSPENDED AT 3.48 PM

PROCEEDINGS RESUMED AT 4.07 PM

The Speaker: Please be seated. Proceedings are resumed. The First Elected Member for West Bay continuing.

Mr. W. McKeeva Bush : Thank you, Mr. Speaker. When we took the break, I was going through a summary of the main sections of the Regulations as tabled on the 14th of March. The Pension Fund (Investment) Regulations seek to regulate the practices of the administrator, investment manager, custodian, and any other specified entity which may undertake transactions on behalf of the pension fund of approved pension plans. Particularly, it seeks to establish a prudent and low-risk asset allocation to guide the investment strategies, and to also prohibit certain investments.

Regulation 5 requires the administrator to pay particular attention to the asset allocations. Regulations 7-10 and 12-16 provide other investment guidelines. Regulation 11 provides the guidelines for financial statements. The general regulations establish the regulatory framework for the processing of applications for the registration of plans and providers, as well as for amendments thereto.

Regulation 7 specifies the contribution rate for the five-year phase-in period in respect of employees and employers and self-employed persons. Regulation 8 provides guidelines for the distribution of any surplus which may exist in a defined benefit pension plan. Regulation 9 provides guidelines for the filing of the annual information return by the administrator to the superintendent. Regulation 10 specifies the types of retirement savings arrangements into which the accumulated pension funds of retirement person can be deposited. Regulation 11 specifies the details which the insurance contract for a life annuity must provide.

Regulation 13 specifies the wind-up notice. Regulation 14 specifies information which the notice of entitlements to members should include. Regulation 15 specifies who can prepare the wind-up report and the contents of such a report, and the filing of documents after the winding up. Regulations 16-19 deal with disclosure notice and explanations. Regulation 20 specifies the contents of the annual statements. Regulation 21 outlines the contents of the statement of benefits entitlement after the death of a member.

Regulation 22 specifies the contents of the statement to be given to the member sixty days prior to his normal retirement date. Regulation 23 specifies the documents required in respect of an inspection of the administrator's records. Regulation 25 specifies the exemption which is applicable in relation to conflict of interest. Regulation 26 describes the eligibility for the administration of a pension plan by a trust corporation. Regulation 27 specifies the contents of a notice relating to the intention of offering a pension plan and the choice of the approved provider. Regulations 28-32 are short general provisions which are self-explanatory.

Mr. Speaker, the National Pensions Law came into effect by a commencement order of Executive Council on 21 January of this year. In September my Ministry also circulated a discussion draft bill (when I say circulated, I mean circulated to the public) to amend the Pensions Law. The Memorandum of Objects and Reasons of that

Bill provided a good introduction to the rationale for the amendments, and the vast majority of the amendments are meant to clarify several ambiguous provisions of the Law.

The only amendment which has policy implication is clause 6, which amends section 6 of the Law by prescribing circumstances in which existing schemes may continue without being required to register. This particular amendment would primarily affect suitable existing defined benefit plans which are currently offered by multinational employers such as banks and trust companies. The proposed amendments to the Law are as a result of representations received by my Ministry through the National Pensions Law Advisory Committee from the following people and associations: Towers Perrin of Canada (our consultants), the Cayman Islands Bankers' Association, the Chamber of Commerce, Ms. Myrna Gregson, attorney at law, Mr. John Law of Cayman National Corporation, Caribbean Utilities Company Ltd., William Mercer of Canada, and Price Waterhouse of Canada.

Mr. Speaker, as is normal in any legislative process, certainly one with as much scrutiny as our National Pensions Law, it is normal to have to fine tune. The amending bill is just for that purpose. There are no substantial changes proposed to the substantive Law in that amending legislation, with the exception, as I said, of a provision which makes it clearly understood that plans which are currently in existence can continue if the employee is better off as a result of remaining in that particular plan. I say that provision makes it clearer, because it is already provided for in section 6 of the substantive Law.

Mr. Speaker, I want to say to this House that there were no policy changes in the proposed amending Bill, up to the time I had it, that would affect the draft Regulations which had been circulated to the public. I want to repeat that: **There were no policy changes in the proposed amending Bill, up until the time I left Executive Council, that would affect the draft Regulations circulated to the public two times this year.** Two times this year!—in March and in September—and accepted by the public.

Mr. Speaker, on 8 October I submitted a paper to Executive Council for approval of the revised draft Bill, which Executive Council had approved in August for public distribution and feedback. Copies of that were hand-delivered to the media houses, and 20 copies to the Chamber of Commerce for distribution to the Council of Associations. During the consultation period, 150 sets of the package were provided to the Legislative Assembly for collection by the public. We did get feedback from the public. Representations were received from Mr. Peter Harty, the Cayman Islands Hotel and Condo Association, Jacques Scott & Co. Ltd., and the Chamber of Commerce Council of Associations, signed by representative groups: the Chamber of Commerce, Merchant Association, Contractors' Association, Watersports Operators' Association, Real Estate Brokers' Association, Caymanian Bar Association, Agricultural Society, Society of Financial Analysis, and Society of Caymanian Builders and

Contractors and Labour. On 8 October, Executive Council deferred that paper.

As to the Regulations, on 15 October I submitted a paper to Executive Council for approval of the revised draft Regulations, which had gone the full circle of public consultation. Again, on the draft Regulations, copies were hand-delivered to the media houses, 20 copies to the Chamber of Commerce for distribution to the Council of Associations, and during this period 150 sets of the package were provided to the Legislative Assembly so the public could have further consultation. At the closing date which we had given to the public, representations came back from Peter Harty, Cayman Islands Hotel and Condo Association, Jacques Scott, Cayman National Bank, Midland Bank, and the Chamber of Commerce Council of Associations, again signed by representatives from the following groups: Chamber of Commerce Merchants' Association, Contractors' Association, Watersports Operators, Real Estate Brokers, Caymanian Bar, Agricultural Society, Society of Financial Analysis and Society of Caymanian Builders and Contractors, Trade and Labour.

In addition to that, Mr. Speaker, the Senior Assistant Secretary in the Ministry, Mr. Mario Ebanks, and the First Legislative Counsel, Mr. Grenyer, travelled to Toronto, Canada, to hold meetings on the 2nd and 3rd of October with our consultants, Towers Perrin. The feedback (what I remember) was that they were thoroughly examined, and that necessary representations which were received were scrutinised; necessary clarifications and fine tuning were effected to two sets of Regulations, that is, the Investment Fund and the General Regulations. The third and the new set of regulations dealing with actuarial and transfer matters, prepared by the actuarial department of Towers Perrin and re-formatted by the First Legislative Counsel, was also examined in detail and necessary changes were made to clarify and keep consistent with what we wanted.

It was intended also for that to have the consultation exercise that we would have gone through with all the rest of the papers. I had also been asked to address the Chamber of Commerce on 29 October to provide an update. Suffice it to say, Mr. Speaker, that paper was also deferred.

I want to give the Government, and in particular the new Minister, the benefit of the doubt, and would like to even support the amending Bill before us. But the Bill is open-ended, and to suspend the Law completely will not allow for any further registration of pension plans to take place, and no contribution. Therefore, I would like to see this Bill we have before us amended.

As I said, it now has a cut-off date (from the amendment circulated by the Minister) of June 1. I am very concerned because originally we tried to separate the time of coming into force of the Pensions and Insurance Laws, because we knew there would be a cost factor which business persons—indeed all of us—would be concerned about. Putting the Law back to June when the insurance was slated to come into effect, will have a double impact at the same time. While we have to put these two needed

pieces of legislation in place, and we have to bear the cost, we were wary of putting the two together.

In the Memorandum of Objects and Reasons to the Bill before the House to suspend the operations of the National Pensions Law 1996, it says that the suspension is necessary so that the private sector employers can have more time to prepare for the legislation, and for the Government administrative arrangements to be completed. Mr. Speaker, as I said, I want to give the Government the benefit of the doubt. The Minister is new, and I want to give her and my other colleagues on the Executive Council the benefit of the doubt; but I do believe that what needs to be done can be finished in three months. I believe we can finish by April. The Minister has circulated an amendment, and I believe we are prepared to go to that amendment, but I cannot support fully suspending the Law.

Mr. Speaker, I believe it is that time.

MOMENT OF INTERRUPTION—4.30 PM

The Speaker: We have reached the hour of 4.30. I do not imagine you will be finishing any time in the near future. I would entertain a motion for the suspension of this Honourable House.

Mr. Roy Bodden: Mr. Speaker, under the relevant Standing Order, I beg to move the adjournment of this Honourable House until 10.00 AM tomorrow morning.

Mr. D. Kurt Tibbetts: Mr. Speaker, I beg to second that motion, Sir.

The Speaker: The question is that this House do now adjourn until 10.00 AM tomorrow. Those in favour, please say Aye. Those opposed, No.

AYES and NOES.

Mr. W. McKeeva Bush : Mr. Speaker, I have a commitment, and I would like to get to that commitment if Members could accommodate.

The Speaker: I was somewhat concerned about the road obstruction on the West Bay Road myself, so . . .

Hon. John B. McLean: The fact remains, Sir, the later we stay here the easier it will be to get home, because there will be less traffic.

Mr. D. Kurt Tibbetts: Mr. Speaker, that Minister is all wrong, although he is the Minister for Works.

The Speaker: I will ask for a division.

Hon. John B. McLean: I do not mean to get into dialogue with him, but I am the Minister for Works and I know exactly what I am saying, because I know how we are going to work.

The Speaker: I did not count the votes, so I guess the only thing we can do is take a division. Madam Clerk, will you call a division, please?

The Clerk:

Division No. 23/97

(Motion to Adjourn)

AYES: 7

Mr. W. McKeeva Bush
Mr. John D. Jefferson, Jr
Mr. D. Kurt Tibbetts
Dr. Frank McField
Miss Heather D. Bodden
Mr. Roy Bodden
Mrs. Edna M. Moyle

NOES: 8

Hon. James M. Ryan
Hon. Richard H. Coles
Hon. George A. McCarthy
Hon. J O'Connor-Connolly
Hon. Thomas C. Jefferson
Hon. John B. McLean
Hon. Truman M. Bodden
Hon. Anthony S. Eden

ABSENT: 2

Mr. Dalmain Ebanks
Mr. Linford Pierson

The Speaker: The result of the division is seven Ayes, eight Noes, two absent. The Noes have it. The House continues.

AGREED BY MAJORITY: THAT THE HOUSE NOT ADJOURN AT 4.30 PM.

Mr. W. McKeeva Bush : Mr. Speaker, I would like to find out how long we are going to go.

The Speaker: What is the wish of the House? How long shall we continue?

(Inaudible interjection)

Mr. W. McKeeva Bush : Really, Mr. Speaker, can I hear how long we are going to go?

The Speaker: You state an hour and I will put it to the vote. That is all I can do.

Mr. W. McKeeva Bush : I did not ask for any time, I asked to suspend, but anyway. . . I am trying to determine from the Government, since they say we must stay, how long are we going to stay?

Hon. Truman M. Bodden: Mr. Speaker, another hour. Until 5.30.

The Speaker: Until 5.30? *[Addressing the First Elected Member for West Bay]* Can you stay that long?

Mr. W. McKeeva Bush : Mr. Speaker, no, I cannot stay that long, and I want to thank my colleagues on Executive Council for their generosity. I am prepared to carry on with my debate.

The Speaker: Please continue.

Mr. W. McKeeva Bush : I should say, Mr. Speaker, leaving here at 5.30 could put us right out in the middle of traffic. That is what I would think from what I witnessed this morning, and normally . . .

(Inaudible interjection)

Mr. W. McKeeva Bush : Mr. Speaker, I believe that there is a better way to go about achieving the objective of allowing more time. They need to get the Superintendent in place; they need to set up the Board and pass the Regulations and the amending Bill. I have said what my concern is about full suspension of the Law. I will now outline two simple amendments to the National Pensions Law which could be effected which deal with the problem but would not be as disruptive to private sector employers and pension providers.

Section 4(1) of the National Pensions Law makes it mandatory for every employer to provide or make contributions to a pension plan for every person employed by him in the Cayman Islands. In order to allow more time, and not breach the provisions of section 4(3) which deal with penalties, I am recommending that section 4(1) be amended to indicate that the effective date for employers to provide or contribute to a pension plan be March 31, 1998. The Government will have another three months to prepare but will not be left wondering when the Law will come back into effect.

The second and companion amendment which can be made to allow more time for existing pension plans to be registered is in section 6(2). This presently allows an unregistered plan to be administered for 180 days after the commencement of the Law (which was 1st July, 1997), approximately six months from 1 July, 1997 is 31 December 1997. Again, this section could be amended to say 270 days. This would allow a further three months for the superintendent of pensions to rate the plans. The new effective date for registration would also be 31 March 1998.

While the substantive Law does not give any flexibility, what Government must remember is that a moratorium of six months was given by Executive Council which ends 31 December. That was a policy decision. By doing this, no one can contravene the Law, although the Law is in effect. If we amend the Law sections in 4(1) and 6(2) as I recommended, this would extend the legal time for another three months. Rather than suspending the Law, we could put in these two minor amendments to legally cover everyone.

Even if the Minister and the Government want to go to June, I will agree with them. What I do not agree with is suspending the Law in its entirety. What I am suggesting now will cover them and do what they want to, while at the same time allowing those persons in the private sector who have reached a distance with their provisions to carry on. If they suspend the Law in its entirety now, they are not being fair to the public. Whether they want to close down the House now, at 6.00, or come back tomorrow morning, my contention with Government is the full

suspension of the Law because there are people who are doing things.

If we had anticipated the delays in getting the legal advice and the drafting of the contract with the consultants, Towers Perrin, if we had anticipated the delays in drafting of regulations; if we had anticipated that Executive Council would not agree on the price when we went to get the office space, we could have put the commencement order further back, rather than January. We could have staggered in certain sections of the Law.

I note from the Minister's explanation to the House there were four main reasons why the Law should be suspended until June:

"(1) Securing contractual arrangements for the technical assistance and the review of the regulations and the drafting of the actuarial valuation for the regulations.

"(2) There were delays in securing authorisation for the lease of office premises."

I would like to correct the Minister where she says that that has been put in place since she arrived in the Ministry. I do not know what more has been done, but the lease was approved by Executive Council and came into effect on 1 November. I had taken the matter to Executive Council and received approval for the offices to be put in place at Piccadilly Square.

The Minister said, and I quote her: **"Additionally, due to the state of implementation of the said legislation, employers who are not offering or subscribing to a pensions plan may now technically be in contravention of the Law. While these parties may not necessarily be at fault they could, by their ignorance or otherwise, technically be liable to the penalties as stipulated in section 4(3) of the Law, or other penalties contained therein."** I want to say again to the Minister that the moratorium which ends on 31 December protects all persons from breaching the Law. If Executive Council is minded to amend the Law in the places I have suggested, they can have more time and further protect the public from these penalties.

I argue again that suspending the Law in its entirety is not fair to the public. I ask the Minister to reconsider the position. If she wants to go to June, I will even support that. What I cannot support is the full suspension of the Law.

The Minister mentioned the Board. As I recall, on the list of possible members for the Board that would be set up under section 77 of the Law were: Mr. Billy Adams, Mr. Carlisle McLaughlin, and Mrs. Sherri Ebanks. There could be somebody from the legal profession, the contractors' Association, the Bankers' Association, the Hospitality Industry, someone from Government and an employees' representative. So we are not far away from creating a Board. That cannot take forever to do.

We have these amendment that were supposed to come back here. Everybody was busy. . . and there are various reasons, but I do not want to leave the impres-

sion that my work was not done because that is what the impression is. As she said, **". . . all the unfinished business could have been completed by the Ministry, . . ."** Due to the hold up in Executive Council for various reasons.

I am not knocking what Executive Council says, everybody has a full work load. I am saying: Do not lead the world to believe that I had not done my work. I have taken enough blame for things that I have not done. Give me credit when I have done something.

I want to say in closing that I want to give my colleagues on Executive Council and the new Minister the benefit of the doubt. I would also like to say this, and I say this so that there can be some peace here because if I give the impression that I am having a war, and they do the same thing, that is what it is going to be—a war! No one supports the Minister like I do—I went to great lengths to do so. But they must give some consideration, to be fair. The Minister is new, and I give her my full support. But to do as they are doing puts people at a great disadvantage and I cannot agree with it.

Just in case they do not know (we got a bit muddled up where we were), let me repeat: Section 4(1) of the Pensions Law makes it mandatory for every employer to provide or make contributions to a pension plan. In order to allow more time and not to breach the provisions of section 4(3) which deals with penalties, I am recommending that section 4(1) be amended to indicate the effective date for employers to have to contribute to a pension plan be either March 31, 1998 (that is the date I would like, but if they want their date I will even support that), that is, they will have another three to six months to prepare but not be left wondering when the Law will come back into effect.

The second and companion amendment which can be made to allow more time for existing pension plans to be registered is in section 6(2). This presently allows an unregistered plan to be administered for 180 days. If we amend that it will allow a further three months or six months for the superintendent of pensions to rate the plans.

These amendments are my alternative to achieve the Government's aims for a short extension of time versus a full suspension of the Law during this time. I know that they are going to come behind me and say, *'Oh, but the moratorium ends on the 31st.'* I hope they understand that what we are recommending will allow the people to be protected after the 31 December. So they cannot say that I am being unfair, all I am asking is for them to be fair to the people who already have spent two years making preparations and who are ready.

I want them to bear in mind (and I think they know this already) that there are those in the public who say that if Government suspends the Law they are going to suspend what they are doing. That is being said.

Mr. Roy Bodden: True. I told them that too.

Mr. W. McKeeva Bush: Who will that help? Who will it hurt? That is the danger, and they cannot do anything if they suspend the Law. They can do what the Minister

said, **“To those employers who have been pro-active in upgrading their plans, or who are now subscribing to a new plan which complies with the Law, I urge you to continue with your contributions.”** That is like whistling in the dark! If the Law is suspended, and the Honourable Minister has to understand this, then those whom she is urging can suspend what they are doing. This is what we are trying to guard against. There are people who have said they will suspend if Government suspends. I do not think we need to reach that stage.

I believe that I have tried to put things into perspective as to where we came from with this Law, where we are presently, and the amount of work that the Ministry has accomplished. I would like to take time out to thank the committee, Mr. Billy Adams in particular, Mr. Carlisle McLaughlin, and Mr. Mario Ebanks from the Ministry. There was a lot of midnight oil burned on this thing. Notwithstanding delays, the Government can still do what is necessary and everybody will be more or less happy. But if they clamp down and say they are going their way, then I cannot support them in it.

I would like to thank them again for their generosity.

The Speaker: Does any other Member wish to speak? (Pause) The Fourth Elected Member for George Town.

Dr. Frank McField: I would just like to apologise for being late this morning. I did try to call in to say that I was stuck in traffic on the West Bay Road. I had a totally new experience in the Cayman Islands—I found myself wondering how pleasant it would be not to have to use a car. It took me from 10.30 am until 1.00 pm to drive from the Turtle Farm in West Bay to the Legislative Assembly. Some people say this is planning!

Mr. Roy Bodden: (Laughter)

Dr. Frank McField: As I make my comments about the National Pensions (Suspension) Bill, 1997, let me say that it will be impossible for me not to repeat what other Members have said. I think the last speaker made quite clear why the Pensions Law was brought in the first place by the National Team Government, which is now seeking to suspend it.

To many people the word ‘suspension’ means that we are going to push it back. When a child is suspended from school we clarify if the child is suspended for one week, two weeks, three or four weeks, or indefinitely. The use of the word ‘suspension’ in the title of the Bill obviously gives the general public the impression that the Law is being negated, that the Bill is being eradicated.

Since I was not here because of the traffic problem this morning, I had to refer to the *Hansard* in order to make sense of the debate as it originated. I noticed that the last speaker mentioned several points from the lady Minister’s speech. When it is said that the National Pensions Law, 1996 (which came into force on 1 July, 1997), will be suspended until the suspension is lifted by an order made by the Governor in Council. . . we have no control over the Governor in Council. We only have control

over what happens here in the Legislative Assembly. I therefore think it is understandable that Members will seek to have some type of input at this stage since. If the Suspension Bill is passed in this particular matter, we will not necessarily be taken into Executive Council with regard to what would be. . . (pause)

Mr. Speaker, I see there is an amendment to this for 1 June. I am not quite sure when notice of this amendment was given.

The Speaker: Permission was given for her to move it during her presentation.

Dr. Frank McField: Do you see how traffic can confuse the country?

(*Inaudible interjection*)

Dr. Frank McField: Yes, that is true too. It just takes people who plan evil things.

Mr. Speaker, in trying to debate the Bill, I think you will take into consideration that I was held up this morning and I missed that amendment. A lot of the formulations I had come to were related to the fact that I understood Executive Council would have the final say. Now that the Minister is committing herself to the 1 of June, I will begin to look at it in a slightly different way.

Nevertheless, when the former Minister of this Portfolio gets up and indicates that there is doubt in his mind as to the intention of the Government to see this Bill through; when that is not being done by the so-called Opposition, but by the person who spearheaded this particular movement in this country, then it is not being political or destructive when we put on the breaks and begin to look at the motives behind the suspension of this particular Bill.

Mr. Roy Bodden: True!

Dr. Frank McField: Who better knows the hidden motives of the Members of Executive Council responsible to see that this Law comes into effect than the person who was a Member of that Council for the last 15 (sic) years.

Because there may not be a serious intention to bring this Bill into effect, I think it is necessary for us to understand that there is a lot of public opinion regarding the negative effects of pensions and health insurance. This is a very important point in a country that has not been used to Government legislating behaviour: We have Government legislating the behaviour of people in regard to savings, and we have two instances coming into effect basically at the same time—the Pensions Law in June, and the Health Insurance Law in July.

Nobody can convince me that they are seriously thinking of doing these at the same time, expecting that the society, the electorate which is already resisting the whole concept of pensions and health insurance (something that is almost foreign to our society up until this point) will accept these two deductions being made from their salaries almost simultaneously. I do not believe that

anybody seriously thinks that is possible. I feel that there is some hanky-panky going on in the background.

(Applause)

Dr. Frank McField: One has to suffer. Both pieces of legislation were brought in because both methods—pensions and protecting the people's health—were considered necessary by the National Team Government.

The National Team Government was able to win almost a landslide victory in 1996 based upon those policies. I keep saying that if the National Team Government is going to change its policies it should make people aware of the fact that it is not holding fast to its political manifesto, and that it had no intention of holding fast from the very beginning.

Mr. Roy Bodden: Hear, hear!

Dr. Frank McField: I think that the whole social policy of the ex-minister for Community Affairs suggests that ingrained in the concept of the National Team Government was a caring idea for the people of the Cayman Islands. Emanating from that whole political alliance were social policies which were seriously being brought into effect in this country for the first time. Past Governments avoided these policies simply because it was so difficult to get people to understand that immediate gratification does not necessarily create security. People have to go beyond what they need today and save for what they need tomorrow.

The moral obligation of Government for the needy will continue to exist as it does in this country today. One reason why the social service expense in this country is so high today is because companies that came in here some 20 or 30 years ago were used to the whole idea of when a person was no longer valuable to a firm or company, or when they were no longer productive, they were set aside. They were used to these concepts in North America and in Europe. Yet, they came here and allowed this idea of pension and health insurance to lie dormant in this society until it was awakened and brought forward by the former Minister for this particular Portfolio under which pensions fall.

That was not an easy job because there were cries of 'socialist,' there were cries of 'communist,' there were cries of 'anti-this' and 'anti-that' because there were certain people who did not want to make the necessary adjustments in their profits in order to be able to compensate the working people in this country. Now that that Minister has the political mandate of the people (based upon selling them the idea that he would bring in social policies to protect the working people in this country). . . this is where the National Team Government is going? They are going in a direction which causes people like me to become worried about their seriousness when it comes to health insurance and pensions. Unless they are really fixated on crisis management there would be no need for them to bring health insurance and pensions at almost the identical time.

Serious planners have to think about people's reactions. It is like what happened this morning with the traffic. If that had been planned and thought out that would not have happened. I would not have been stuck in traffic from 10.30 until 1.00, the Governor would not have been 40 minutes late to work this morning.

Mr. Roy Bodden: Hear, hear!

Dr. Frank McField: We can blame it on people. We can blame it on the stupid pedestrians who stopped to look, and all the other things. But basically it is a failure with planning. We must take those 'customers,' as they say in the re-invention of Government, into consideration. How are we taking the customer into consideration when we are bringing these two pieces of legislation into effect at the same time? When the poor person who has not gotten used to the whole concept of what a pension can do for him, or what health insurance can do, because he does not have the subjective experience nor the objective experience of living in a society where that exists to see the benefits of this, . . . we are trying to show the people of this island something that is very abstract at the end of the day. Maybe to legislators it is not so abstract, maybe it is very concrete because some of us who are prosperous operate within the concept that it makes sense to save for the days when we can no longer work to provide for ourselves. We do not necessarily put that responsibility upon our children.

There have been remarks in this House already that people who are qualified for social help, people over 60, should be cared for by their children. We do not want to be saying that in the next 20 or 30 years. We need to solve the problem now. I know that Honourable Members will think that somehow I am not speaking about the point, but I was not here when the discussion was going on about pensions. But I have listened to the debate. I knew from what was happening on the street that a lot of people thought in the beginning that pensions meant that their employers contributed to a fund that they would have access to when they reached a particular age. Most people in Cayman wanted pensions because they thought they would get something without having to contribute on a weekly or monthly basis. Once people found out that deductions would be coming from their pay cheque, they began to think that this would not necessarily serve them, especially when we consider the fact that wages for normal working people have not increased in this country over a long period of time.

What we are taking money from today is very small. Are you going to tell me that we are going to take out both pension and health insurance this year at almost the same time? Are we going to move health insurance further into the future? Or are we going to take that as a priority because we need to pay for the hospital? There are a lot of people who have invested in creating a positive atmosphere to allow pensions to be accepted by the population of this country and we cannot miss the opportunity to take advantage of this very receptive atmosphere which we have at the moment.

Suspension of the Pensions Law, even until June, will mean that people will think that Government will somehow suspend whenever it is convenient for them to suspend. They will not take Government's position seriously in regard to this. I believe that the last speaker, the First Elected Member for West Bay, had some very good points to share with us. Why does it take so long to put a Pensions Board together? This is a small society. We basically know who we would have on this Board anyway. It should not take that long to put a Pensions Board together.

Hon. Julianna O'Connor-Connolly: That should have been done last year.

Dr. Frank McField: The Honourable Minister now responsible for pensions is saying that is what should have been done from last year. If that Member who was supposed to be responsible last year did not do it, I would blame him too.

All I can deal with here is the fact that the National Team Government, of which the past Minister was also a part, has come to this Parliament at this point telling us that they have not done their job and that they need more time. This is an instance of crisis management. Although I like to be creative about the terms I use, I am going to have to borrow this one because it sticks in my brain. Every time I see things, like the traffic situation this morning. . . . If that is not crisis management, Mr. Speaker, I would like to see what is!

I do not think that the Government will not implement the Pensions Law if it is suspended. I do not believe that they would be that uninformed about the needs of their society. Nevertheless, when we go by their actions we must assume what members of the private sector are assuming. I have letters here, and if people think that I am speaking just about my impression of what Government is doing, then they need to read some of these letters.

There is one letter where a person wrote, "**During our marketing effort it was clear during the first and second quarters of this year that the Pension Law had received almost total acceptance from the public and employers.**" If we already arrived this year at a situation where we had almost total acceptance. . . and I would tend to agree with that—I know there are many employers who have schemes already chosen and in place. They are just waiting because they think that Government might not bring it in. They know that some people are still politically saying that it would be suicidal for the National Team to bring in pensions and health insurance because they would not get re-elected in the year 2000. This is the reason for the suspicion.

Mr. Roy Bodden: (Laughter)

Dr. Frank McField: The suspicion is truly based upon fact. We see that Members continued the debate in this House—knowing that some of us were tired from the traffic jam—in order to have their way so that we could

somehow think this is something that is also taking place when, in fact, they do not want to face the music. They do not want to do what might be politically unpopular, because people are going to feel it in regard to prices in this country and what they have in their pockets.

Everybody knows there will be a certain amount of additional expense which will demand other adjustments in this country, perhaps even in regard to wages. I have already heard people saying that if we bring a Pensions Bill and prices go up, then we will have to perhaps deal with minimum wage. I am not a defender of minimum wage—not yet—but I am saying that a lot of people realise that there is a certain amount of political fall out that will result because of these two pieces of legislation.

The National Team got re-elected even with these pieces of legislation basically in place. I contend that although working people will have difficulty absorbing these out-of-pocket payments, they will recognise that the future benefits far out-weigh the present sacrifice they will have to make.

In making my speech I am making sure that Members and the public realise that I support the Pension Law because I have no other solution to the question of what to do with people who are no longer considered useful by industry once they turn 65 or even 60. They might live until they are 85, 86 or 87. With improved medicine they might live for a much longer time. Therefore, the quality of life could be drastically improved for our people if we convince them to accept pension savings as a necessary part of future life savings.

I do not believe that the conflict I heard on the floor of this House today between the former and present Minister responsible for pensions, and the Executive Council as a whole, is an indication that we are all resolved to pursuing this, or convincing our people of this.

I am amazed at some of the statements made by the present Minister for Community Affairs. When it was said that it is felt that all the unfinished business could have been completed by the Ministry. . . I am of the opinion that the Civil Service is there to ensure continuity. Whether it is from one election to the next, or one Minister to the next, the Civil Service is there to ensure continuity. I do believe that if we use the Civil Service properly we will always find that the work will be done. It does not really have to be done by the Minister, but it should be done by those who are managers. On many occasions I have pointed out the difference between management and leadership. I see Ministers as being leaders, not managers.

If we want to assure the public that we are not going to take away from them certain benefits that came basically on the shoulders of the First Elected Member for West Bay, then we will not cut the vote to Social Services; we will not show our insensitivity or lack of understanding for social planning by separating Social Services from Community Development. When putting those things into perspective, I have to examine what is happening. There is a story evolving here. I have to read into it. I must say that I am not too bad at interpreting social behaviour and social action. That is my field. I am not a

lawyer, but I am a sociologist. If I had not been a sociologist I would not have been able to get up off my feet and come back into these Honourable Chambers.

As a sociologist I am asking, What is the picture? Did the country cry out and say it did not want these social reforms? Yes, there is a part of the country that is suspicious of any social progress. I had to deal with that back in the 1970s when we started to develop social policies, because people were suspicious. On the one hand you want to help people, but on the other hand in helping people you become responsible to those people. They begin to look to you as the person responsible. So we have to always be careful how we administer our caring natures, because that nature can be taken advantage of.

At the same time we have to prevent ourselves from becoming too cold and callous; from becoming too formed by routine and law. We must realise that we are the creators of the law, the law does not create us. It is necessary for us to exhibit a certain amount of sensitivity towards the general public when we make laws. We must show a certain amount of consistency, we must be organised. Therefore, Government as a whole must accept responsibility for the request that the law be suspended at this particular time. It was their job to do.

The Pension Advisory Committee established in June of 1994. . . and we are going into 1998, Mr. Speaker. We are talking about four years to bring this plan to fruition. That is a long time. The people have discussed it over and over in their minds, 'A pension is no good.' 'A pension is good.' 'How much are they going to take out?' they have gone through the whole psychological adjustment. As is asked in one of these letters from one of the providers, "Why disrupt this? Is it for the convenience of the Government?" Why disrupt the entire psyche of the population for the convenience of the Government? Government has to learn to govern in accordance with the psyche of the people rather than out of sync, expecting that every time it does something the people will have to adjust themselves to what it has done—because that is the way Government does it, and the people just have to adjust.

That is not democracy. Democracy has to be tolerant. We have to have tolerance if we are going to live in a democracy. And, by George, that is where we are going to live—in a democracy. That is one reason why the debates in this House have tried the patience of certain Members. They are not used to other people getting up and talking because that is not necessarily a part of their sub-culture.

Mr. Roy Bodden: True!

Dr. Frank McField: We are talking to broaden their horizons, to broaden our own horizons and to broaden the horizons of the people. I am saying that we should not act and expect the people to react, we should be proactive. Government should never have been caught in a situation like this where it now must come saying it desires to suspend the Pensions Law, when, in fact, all we have heard over the years is how important pensions are. So we are putting the Law at risk.

What are we saying? We are saying that there is no risk to it because regardless of how people react to it now, they are going to have to do it anyway. Whenever we get ready to do it, they are going to have to do it. So we are not thinking about the little guy who might say he does not believe Government is serious about it, so he will not be serious either. He has to comply because we are the boss! That is not the way we should do it. We should encourage our people, not coerce them. Coercion is what is necessary when we come to the point where we are not communicating with our people, where we have to get up all of a sudden and say that the pension everybody is prepared to have come into effect in January cannot come into effect because Government is not ready.

The Speaker: Would this be a convenient time to adjourn?

Dr. Frank McField: Yes, Sir.

The Speaker: I will ask for a Motion for the adjournment.

ADJOURNMENT

Hon. Truman M. Bodden: Mr. Speaker, I move the adjournment of this Honourable House until tomorrow morning at 10 o'clock.

The Speaker: The question is that this House do now adjourn until 10 o'clock tomorrow morning. Those in favour, please say Aye. . . . Those against, No.

AYES.

The Speaker: The Ayes have it.

AT 5.37 PM THE HOUSE STOOD ADJOURNED UNTIL 10 AM THURSDAY, 18TH DECEMBER, 1997.

**EDITED
THURSDAY
18TH DECEMBER, 1997
10.35 AM**

The 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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

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

The Speaker: Please be seated. Proceedings are resumed. Presentation of Papers and Reports, the Central Planning Authority & Development Control Board - Annual Report 1996. The Honourable Minister for Education, Aviation and Planning.

**PRESENTATION OF
PAPERS AND REPORTS**

**CENTRAL PLANNING AUTHORITY & DEVELOPMENT
CONTROL BOARD - ANNUAL REPORT 1996**

Hon. Truman M. Bodden: I beg to lay upon the Table of this Honourable House the Cayman Islands Govern-

ment Central Planning Authority & Development Control Board - Annual Report 1996.

The Speaker: So ordered. So you wish to speak to it?

Hon. Truman M. Bodden: Thank you, Mr. Speaker. I will be brief. As predicted, 1996 was a very busy year for the Planning Department. The number and value of development applications reached an unprecedented high, the highest it has ever reached. Nine hundred applications, with a total value of \$215 million were approved by the Central Planning Authority and the Development Control Board. These figures represent increases of 3.7% on the number of applications, and most impressively, 24% over the 1995 values. This is the first time the value of approved projects has exceeded \$200 million.

The Central Planning Authority processed an average of 24 applications per meeting in 1996. The types of applications received by the Planning Department followed past trends. The four sectors that continually receive the majority of applications are: residential (or houses), apartment/condominiums, commercial and others. Others includes applications such as sub-divisions, pools, walls, fences and signs, and similar matters.

The distribution of applications according to districts has also been constant with George Town, Bodden Town, and West Bay having the most development activity. Two hundred eighty-one final certificates (or Certificates of Occupancy) were issued in 1996, for a 23% increase over 1995. This means that 23% more projects were completed in 1996 than in 1995.

The long-range section of the Planning Department was very busy preparing for and attending appeal tribunal hearings and development plan tribunal hearings. Three hundred and sixty-four representations covering in excess of 2,000 parcels of land and approximately 1,000 people in total, because some of the representations were signed by a fair amount of people, but 364 representations were made by the public regarding the proposed amendments to the 1977 Development Plan.

I would like to thank Miss Amy McLaughlin, as well as Mr. Kenneth Ebanks, who dealt with these hearings. In fact, three tribunals sat, sometimes two simultaneously, and only one member of my staff in the Ministry dealt with all of those hearings, and that was part-time. These are formal hearings, in person and a lot of work went into it.

I would also like to say that on Cayman Brac and Little Cayman the Development Control Board has experienced a steady flow of applications and the number of approvals granted has remained fairly stable over the last three years. In the past five years the number and value of approvals has increased. The year 1996 was no exception to this trend. Despite the increased work load,

the Planning Department was able to improve the level of customer service offered and significantly reduced the number of complaints received. This is a trend which continued in 1997 and it is one of the department's goals for 1998.

I would like to take this opportunity to thank the Chairman and all members of the Central Planning Authority, the Chairman and all members of the Development Control Board, the staff, both in Grand Cayman and Cayman Brac, who have dealt so efficiently with the applications and matters.

When I first took over Planning a couple of years ago, I personally dealt with the public's grievances and problems. I felt it was very important that I know what the problems were. While many times I may not have provided the solution, I channelled the grievance to those people who could deal with it. That has now dropped off considerably, even though I have continued to do this. I know that this, together with improved reporting which I now can get on fairly short notice. . . I can get applications that have come in and there are about eleven different columns from the time the application is logged in, when it goes to the planner, to plumbing, to electrical, if it has to go to the Department of the Environment, if it has to go to the Water Authority. All of these are logged in and out, so I can look at an application on one line and see from beginning to end where the application is and why so much time may have been spent in any one area. In the last report I had we were down about 40 days, of which nearly 30 are statutory (21 days' notice must be given and there is a delay with sending it out in the post because it goes in registered mail and a few days for it to come back). So the turnaround is very quick.

Also, the recording of minutes is now computerised (has been for some time) and standard phrases that apply are automatically put in. So I am very happy that the Central Planning Authority and the department have completed the Development Plan. I would like to thank all Members on that.

I look forward this coming year to the Development Plans for Cayman Brac and Little Cayman which must be, and I will see that they are, in accordance with the wishes of a majority of the people of Cayman Brac and Little Cayman. The success of the plan here was ensuring that people had the proper representation. As I said, 360 representations came in and were fully heard after following the democratic process.

I thank Members of this Honourable House for the support they have given to Planning and for voting the money each year. I ask them to continue to assist us because the physical planning of this country is very important to our development and to preserving our heritage and areas that should be conserved for our future.

The Speaker: Item number three, Other Business, Private Member's Motion No. 5/97. The Third Elected Member for Bodden Town.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 5/97

ESTABLISHMENT OF A STANDING SELECT COMMITTEE OF PRIVILEGES

Mr. Roy Bodden: I beg to move Private Member's Motion No. 5/97 Establishment of a Standing Select Committee of Privileges, standing in my name, which reads:

"WHEREAS Standing Order 79 provides that the House may appoint other standing select committees as required from among its Members;

"BE IT NOW THEREFORE RESOLVED THAT this Honourable Legislative Assembly appoints a Standing Select Committee of Privileges to consider and report on any matter affecting the privileges of this Honourable House;

"AND BE IT FURTHER RESOLVED that the Committee comprise a Chairman and three other Members of this Honourable House."

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: I second this Motion.

The Speaker: Private Member's Motion No. 5/97 has been duly moved and seconded. Would the Mover care to speak to it?

Mr. Roy Bodden: Thank you, Mr. Speaker.

The Legislative Assembly stands at the heart of democracy in the Cayman Islands. The standard of conduct observed by the Members of this Honourable Assembly is crucial to the political, social and economic well-being of these Islands. These standards have always been self-imposed and self-regulated because the Legislative Assembly is our supreme institution. They should, to remain effective, always be self-imposed and self-regulated.

I have always held that Parliament and its Members form a fraternity. Like other fraternities, there should be some commonly accepted norms and forms of conduct. I think that we must begin with the presumption that there should exist a modicum of respect among ourselves for one another. I think this is an important point, one that I will amplify later in my presentation. If the membership of the fraternal order has no respect, no feelings of sincerity, passion and identification among its members, that order is weak and chaotic, and cannot be held in high esteem by persons outside that order.

We can say that the past year has been a rough one for politicians, more so than previous years. As a consequence, this Motion gives an excellent opportunity for

Members of this Honourable House to set in place a mechanism to re-establish public confidence in our performance and in the institution of Parliament. We should seize this opportunity and not seek to divert the debate down any particular channel because what comes out of this debate, the end result, will not only affect the way we in here are being viewed, but will no doubt affect the way the fraternity and its members will be viewed in the future.

It is self-evident that Ministers and Members of the Legislative Assembly must not be open to aspersion, innuendo, doubt or slander, whether during active service or after they have passed out of these hallowed chambers. I have always held the view that we should try to be like Julius Caesar when he insisted that his wife must be above suspicion of any wrongdoing. Julius Caesar is quoted to have said, **"I wish my wife to be not so much as suspected."** The circumstances surrounding this quotation illustrate that the standard of conduct for public officials must be high.

I am reminded of that quintessential advisor of princes and politicians, none other than Niccolò Machiavelli, who was reported to have said, **"It is not important that the prince have all the qualities which I have enumerated. But it is absolutely important that he be seen to have them."** I say this because it is incumbent upon Members to set the rules by which we wish to abide, which we think are necessary, good, transparent, and which will be accepted. We must, both literally and figuratively, be our brother's keeper. But we cannot be our brother's keeper if we stand up and speak falsehoods, utter political diatribes and misrepresent circumstances, behaviour, and speeches of other people. I am saying that charity must begin at home. **"Physician, heal thyself."** Before we can expect the public, the press and the media to be fair with us, we have to be fair with ourselves—the person speaking not excluded. I am not excluding myself. I am saying that we have to be more honest and open and I am calling for that in this House.

I cannot lay this down without drawing attention to some detrimental, demeaning and mischievous statements made by Members of this Honourable House against each other with the full realisation that these things are not true, only to gain so-called political advantage. I would be less than candid if I did not say that I, at times, have indulged in some of that behaviour myself although lately I have tried to part ways with the more odious of that behaviour especially as I profess to be a born-again Christian.

So, I would accept that when Honourable Members get up to debate the Motion, the Motion will not be led down any particular path or watered down. What is at stake here is greater than me individually or all Members of this Honourable House collectively, because it will be something set down for history and historical precedent. I hope that we can be totally open and honest.

I think it is high time we had a written code which goes beyond our Standing Orders. I think, by the way politics is developing in this country, it is necessary for us to have some sense of prudence and circumspection. I want to make this point because it is important: It is also

necessary for us to close rank on occasion and to speak responsibly for one another when certain things are being espoused. Any fraternity which expects to be dynamic has to operate on the presumption that its members are up to a certain standard. Regrettably there are those who seem to thrive on the adversity of others whether they are fraternal members or not.

I hope that with this debate a new vision can be on the horizon. I believe that among people who put themselves up for public office, integrity must be the watchword. We all share a responsibility in this Honourable House and elsewhere by reinforcing the public's confidence in the public service.

So it is incumbent upon us to make the vocation which we have adopted one in which young Caymanians can be inspired by our performance and our conduct to take up when we have vacated (whether that be voluntary or not). The calling of politics and public service is a high calling, second, I contend, only to the call to be a "fisher of men." So, as far as the public's confidence is concerned, we who are privileged to be the trustees of the people should conduct ourselves in every aspect of our lives so that we can be positive role models.

As far as Parliament is concerned, it is for the Parliament to decide the way in which to proceed. It is for the Parliament to decide what avenue should be taken. I have considered many models, but I believe that the best form of regulation and discipline is self-imposed. I believe that the best code we could arrive at is a code which we have structured ourselves. Human nature being what it is, there is always a certain element of resentment against anything which is enforced from the outside. I believe that Members, certainly all of us who are here, have demonstrated and exercised a certain intelligence and more than a modicum of responsibility—although sometimes our behaviour would demonstrate otherwise.

I believe that the Honourable House is eminently equipped to arrive at a mechanism to set up a code of standards and privileges. It is also important that the House have a way of ensuring that whatever is decided upon in this regard, whatever the effort leads to, is maintained. I would hope that we never have to exercise this avenue, but I would feel comforted and assured that if we are ever confronted with such a situation, we have the mechanism at hand and would not have to resort to crisis management or impromptu, or unfamiliar avenues or methods of redress.

The country expects openness from its Elected Members. The citizens of the Cayman Islands must know that their representatives are motivated solely by the noble objectives of public service. Contrary to what many people, including some Ministers and Members of this Honourable House, would like to believe and have espoused from time to time, leadership in the country does not have as its pre-requisite being successful in business, or any particular degree, or being a millionaire, or a director or manager. Leadership in the country has as its pre-requisite a willingness, a nobleness and a desire to be honest, frank, candid and respectful, first of oneself, and then one's peers.

There could be no debate on an issue such as this without mention of Acton's famous dictum, "**All power tends to corrupt, and absolute power corrupts absolutely.**" I think it is important for us to show that while we may be influential, some may even say powerful, we are not averse to humbling ourselves, to let the public and those we serve know that we are prepared to regulate ourselves, not only privately, but in such a way that if there is a serious travesty, we are willing to take embarrassment, although, heaven forbid it reaches such a level. I think at this point the public's confidence in their servants will be reinforced.

There are several models we could adopt. I alluded earlier to the fact that I believe the most effective would be something devised by Honourable Members themselves. In some jurisdictions there is what is called a 'Parliamentary Commissioner.' This commissioner would be like an ombudsman who is responsible for investigating complaints received against Members. In our jurisdiction, the weakness of this method is that those commissioners are usually not elected Members, they might be persons who are not even eligible to be elected, hence, I would have some reservations with someone ineligible sitting in judgement of the fraternity. While that may be one model, the weakness is that we would be subjected to external entities who, by virtue of the fact that they do not meet certain criteria cannot understand certain situations and implications. The strength of it would be that such a person would be contracted and therefore impartial, by virtue of the fact that they would be brought in from outside, no connection real or apparent. Their judgement would be strictly based on the facts at hand. They would be paid as a professional to perform.

The other model, which I think is more aptly suited to our case, is one in which Members sit in judgement. A man is judged by his peers. It could happen two ways—it could happen using the Speaker as Chairperson, or it could be a system in which there are three, five, or seven Members with a Chairman elected from among them. I think that would be the more apt model in our case, because whatever decision we arrive at, we would have to set up an appellate body. If we have a system in which three, five or seven Members chose from among themselves a chairman, and they sit as an investigative body, and there is an eventuality for an appeal, that appeal could take place in the larger corpus of Members sitting, and the Speaker occupy the Chair, as he does now in the Legislative Assembly. So we would have a small investigative body passing judgement and if someone is aggrieved, they could appeal to the full Legislative Assembly with the Speaker sitting, as he does now, as Chairman. If the matter was so grave and the lower body wanted to refer it to the full assembly, the Speaker would still sit and occupy the Chair as the Speaker does now, of the Legislative Assembly.

I think, of the three models I have outlined, that one seems to be the most logical. If it is a very controversial case, one is bound to conclude that there is likely to be some aggrieved party. One could say they did not think the punishment was sufficient and would want to take it to

the higher body. Or the person aggrieved could think that they were overly harsh and would want an appeal. If it goes beyond the Speaker, it would have to be taken external to Parliament. If someone is suspended for a year or whatever the case may be, they may want to take it to a higher body yet. I am saying that we have to set up a process so that there is an avenue for the person, if he is dissatisfied, to appeal it to the next body.

I am cognisant that we have in our Standing Orders and in *Erskine May* some provision for dealing with some matters of misconduct. But I also contend that these are, for the most part, related to internal matters. I am sure that Members are familiar with this. I draw their attention to the *First Report of the Committee on Standards in Public Life* by Lord Nolan in the United Kingdom. This investigation into the conduct of public servants emanated from several concerns. Some people described it as a 'culture of sleaze'—various incidents of misconduct, various accusations. As a matter of fact, in the United Kingdom, some Members of the Conservative Party were recently prosecuted when it was discovered that some of them had taken monies from a wealthy entrepreneur to ask questions in Parliament.

In our jurisdiction, we do not have things like that to worry about, thank God. We do not have any 'culture of sleaze,' or corruption. We do not have any culture of people paying Members to ask certain questions or to take a certain line in debate or a vote. But that does not mean that we cannot establish a standard of privileges so that we can say to the public, '*Here is what we are conscious can happen, and here is what we have done in the eventuality.*' It goes back to Machiavelli's famous dictum: It is not important that the prince *have* the qualities, but it is important that he be *seen* to have them.

So we can say '*We believe we are doing well and to show that we are conscientious and straightforward, here is what we are prepared to do.*' In other words, it is an acknowledgement that we realise that public life and conduct in public life is based on certain standards and principles by which we are prepared to abide.

I like the notion the ancient Greeks had. They talked about virtue. Virtue can be taken to mean many things: most elementary, truth, forthrightness, being candid. But also, in terms of public service, when the Greeks said that a man or a woman was virtuous, they often meant that the person was sincere, willing to humble themselves, to be an example. Those who are familiar with the annals of early Greece will know that it was always a contentious issue. Socrates was tried, great, brilliant teacher and orator though he was, on charges that he was a corrupter of the youth. There was a big debate and his protégé, Aristotle, went to great lengths to defend him.

If we have read Plato in the *Republic*, we will discern some of the qualities which the Greeks thought necessary for their public servants. To stand up and say that all that is necessary for someone to lead is that they be degreed, or be a millionaire or come from a certain caste or that they have a certain power of oratory is to be seriously flawed. I believe that great leaders, and history

shows this, have risen from among the humble—Mahatma Gandhi, Dr. Martin Luther King. Perhaps the quintessential modern example is a person named Nelson Mandela. Right now he is in the news, a man who at 79 years of age, in the pinnacle of power, has demonstrated his humility, not by turning the African National Congress on the white minority and getting even, but by establishing a Truth Commission and by accepting and embracing all as brothers.

He has now done the ultimate as a leader—because many of us get drunk and arrogant and hold on and stay in, as I have heard Members say, to keep someone else out. He is leaving when he is at the pinnacle. Right now he is setting wheels in motion so that his successor, Thabo Mbeki, can take over in 1999. I know people here who are probably going to die here because they think they are going to keep other people out.

The standards we set have as much to do with that kind of thing as it has to do with our conduct outside these halls, how we address one another and how we speak to one another. This country and this Parliament are greater than any individual—greater than the Third Elected Member for Bodden Town and greater even than Ministers. It is incumbent that we realise that there are standards by which we have to abide.

I would like to quote this text because when I studied public affairs, this author, William Greider, was how Moses is in the Bible. In his book, "Who will tell the people—The betrayal of American democracy," on page 12 he writes this:

"At the highest levels of government, the power to decide things has instead gravitated from the many to the few, just as ordinary citizens suspect. Instead of popular will, the government now responds more often to narrow webs of power—the interests of major economic organizations and concentrated wealth and the influential elites surrounding them. These organizations and individuals manage to shape the largest outcomes to the extent that anyone does, while they neutralize or deflect what ordinary people think and believe.

"In place of meaningful democracy, the political community has embraced a permissive culture of false appearances. Government responds to the public's desires with an artful dance of symbolic gestures. . . ."

He goes on to say, and this is the most important part, **"When ordinary people organize themselves to confront the deception, they find themselves too marginalized to make much difference."**

Mr. Speaker, I believe it is high time we set in writing a code which will take us out of any position of situational ethics, any appearance of what one author terms "the appearance of impropriety." The final point I wish to make before I retire to my seat is that no country is immune from these threats or encroachments from time to time—the ancient Greeks, and now the great United States. There is a loud and acrimonious debate going on right now in the United States with accusation and counterac-

cusation between the Republicans and Democrats, between individuals and the machinery. They have the benefit of over two hundred years of participatory democracy. They realise that they have not covered all the boundaries.

We are well on our way, but there are many things that we can do. So, Mr. Speaker, this Motion is a good opportunity for us to demonstrate our sincerity, to demonstrate our maturity, our willingness. I will not be surprised if there are attempts to deflect or water down, or suggest that what is proposed is not important or is already covered. There may be those with self-serving interests who do not wish to have any regulatory mechanism, be it self-regulatory or otherwise. It has happened before. I witnessed it vividly when we brought the Motion on the Register of Interests.

I have faith and confidence that truth and sincerity will prevail. So, to the hypocrites I say: If the righteous can scarcely be saved, I wonder where the ungodly will stand. Having made my point, I will take my seat and hope that the Motion will be seen for the merit it bears.

Thank you.

The Speaker: Before asking other Members to speak, this may be a convenient time to take the morning break. It is my understanding that Standing Committees need to meet during the break and I recommend that we break for thirty minutes.

PROCEEDINGS SUSPENDED AT 11.28 AM

PROCEEDINGS RESUMED AT 12.17 PM

The Speaker: Please be seated.

Debate continues on Private Member's Motion No. 5/97. Does any other Member wish to speak? The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Thank you, Mr. Speaker.

This Motion deals with one of the most serious matters in any Parliament, that of the Privileges of Parliament. I understood from the Mover and the Seconder (who is not here now) that the Motion was going to be put over until the following session. As a result, I am afraid that I am not quite as prepared as I would like to have been, because this is a serious matter.

One of the first things Privilege brings to bear is that when Members of this House give their word, they should try to stick by their word.

Mr. Roy Bodden: Mr. Speaker, on a point of order.

The Speaker: May I hear your point of order?

POINT OF ORDER

(Misleading)

Mr. Roy Bodden: If the Minister is insinuating that any word was given that this Motion was going to be deferred, the Minister is misleading the House. I said I would con-

sider deferring it. Indeed, it has been deferred up to this point.

The Speaker: That is an elucidation.

Please continue, Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: I do not dispute what was said there, but my clear impression was that when he said he was going to do something, if he considered otherwise he should have at least had the courtesy of telling the person elucidating it as has now been done by the Member.

Having said that, this matter is so important that to have a Chairman and three other Members of this House make privileges for this House is not right. It must be a Committee of the full House with you, Sir, sitting as Chairman, and I would like to show why that is the position.

It is very clear in our Standing Orders that the enforcement of order in this House, under Standing Order 40 says, **“The Presiding Officer is responsible for the observance of the rules of order in the House and in Committees of the whole House respectively, and his decision upon any point of order shall not be open to appeal and shall not be reviewed by the House save upon a substantive motion made after notice.”**

It then goes on to deal with power on breaches in 41(1) which reads: **“(1)The Presiding Officer, after having called the attention of the House, or of a Committee, to the conduct of a Member who persists in irrelevance or tedious repetition, either of his own arguments . . .”** It goes on in different areas and details of what is called “naming a Member” which permits you, Sir, to suspend a Member from the service of the House under Standing Order 41(4).

I am very surprised that a Motion of this importance would be brought here without any terms of reference. The first thing that has to be made very clear is that the powers of the Chair to enforce order—and it seems to me that no differentiation was made by the Mover of this Motion between the enforcement of order by you, Mr. Speaker, and what your traditional rights throughout hundreds of years in other countries have been defined. So this Motion, first of all, cannot deal with what the Standing Orders deal with, and is, therefore, badly flawed.

If we look at *Mays*, the 21st Edition, at page 392, it states in paragraph (4), Powers of the Chair to Enforce Order, **“In so large and active an assembly as the House of Commons, it is absolutely necessary that the Speaker should be invested with the authority to repress disorder and to give effect promptly and decisively to the rules and orders of the House. The ultimate authority on all these matters is the House itself; but the Speaker is the executive officer by whom its rules are enforced.”**

“In most cases the breach of order is obvious and is immediately checked by the Speaker. . . .” and it goes on. In the following paragraph it says, **“The power to punish disorder derives from the ancient**

usages of the House in proceeding against a Member; but in modern times the Speaker has been armed by standing orders, with precisely defined summary powers, which largely supersede those exercised under ancient usage.”

First of all, I believe the Motion should have had in it terms of reference, but given that perhaps the Mover was unable to do those terms of reference, the only thing that could be done with that is with a full Committee of all Members, with you presiding, then those terms of reference should be made. But they have to exclude the powers of the Speaker in here. There can be no question about a scenario where there is some appellate body, or appellate committee that deals with reviewing decisions. That just cannot be on a committee with three, and a chairman who may not even be the Speaker of the House.

At page 82 of *Mays*, we find this short section which says, **“Throughout the long history of parliamentary privilege, the need to balance two potentially conflicting principles—both first enunciated in the seventeenth century—has become clear. On the one hand, the privileges of Parliament are rights ‘absolutely necessary for the due execution of its powers’; and on the other, the privilege of Parliament granted in regard of public service ‘must not be used for the danger of the commonwealth’ . . .”** It goes on to talk about the passing of the Parliamentary Privileges Act of 1770, which dealt with the privilege of freedom from arrest that was enjoyed by Members.

One other area that may throw some light on this is. . . I perhaps better come back to that because it is further on. It deals with the development of those privileges over the years. Privileges of Parliament have been extensive throughout the years. That is why I think it is important when you look at the many privileges that exist—freedom of expression in here, freedom of speech, the early powers of freedom from arrest, the immunities that were given—this is not a committee to be taken lightly.

What is more important. . . and I heard a preacher once say, “I’d rather see a sermon than hear one any day; I’d rather one should walk with me, than merely show the way.” Making these rules in here, if we are going to have Members of this House continuously interrupting in the background, or if we are going to have Members of this House when you, Mr. Speaker, ask them to take their seat, stand up and not sit and say that they are not giving way. These are serious matters and have to be looked at.

The passing of these is like any other law, if it is not followed it will not have any effect. At the end of the day the thrust of conduct and privilege and etiquette in this House has to come from the Members themselves.

Mr. Roy Bodden: He is saying the same thing I said.

Hon. Truman M. Bodden: Mr. Speaker, this is what I am talking about. The largest number of interruptions—and I can safely say this, Mr. Speaker—that are done in

the background, are by that same Third Elected Member for Bodden Town who is now bringing this Motion.

So what I am saying, rather than preaching this, Members should live by it. When each Member gets up he has a right to speak without interruption from other Members, and having his chain of thought broken by the constant pounding of desks and interruptions in the background that are heard continuously, especially during this session. Some, I know, is allowed. Do not get me wrong, Mr. Speaker. It is your discretion. Many times it may not be audible to you whereas it is to us. But giving Members the right to speak without unnecessary interruptions is important.

There have been times when one could really wonder whether the laws made here are laws which Members here should follow fully. I mean, one of these is the Register of Interests. Some Members, prior to the election, did not fill in the section that dealt with contributions to their campaigns—a very vital thing. In instances where there was. . .

(The Fourth Elected Member for George Town rose)

Dr. Frank McField: Mr. Speaker.

The Speaker: What are you rising on?

Dr. Frank McField: A point of order.

The Speaker: May I hear your point of order?

POINT OF ORDER

Dr. Frank McField: I was just reading in *Mays Parliamentary Bible [Practice]* here that the reports, or what is done in a committee cannot be reported before it is brought back to the House.

The Speaker: I really do not understand what you are speaking about.

Hon. Truman M. Bodden: Neither do I, Mr. Speaker. I am just going to . . . *(addressing the Fourth Elected Member for George Town)* Go ahead.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: I am a Member of the Committee for the Register of Interests. It is from that privileged position that I am suggesting that what the Minister is saying has to do with certain things we discussed in the Committee today.

The Speaker: I do not think that either you or he should bring that into this Honourable House.

Hon. Truman M. Bodden: That Honourable Member is breaking the rules of this House. What I was referring to I have legally obtained under section 3 subsection (3) of

the Register of Interest Law, 1996 which says, “**The Register shall be open for public inspection at the office of the Legislative Assembly at all times during normal business hours.**” I inspected it in accordance with that and that is what I am referring to. I do not know what that Member is referring to, maybe he should retract whatever he may have said in relation to the Committee if he wishes to. What I am saying has nothing to do with any Select Committee, it is rights I have under this Law, and which all Members of the public have under this Law.

The Speaker: Fourth Elected Member for George Town, do you understand what the Honourable Minister for Education, Aviation and Planning is saying? He is not referring to that. You are referring to a specific standing House Committee meeting and that is not permitted. Please do not go into that any further.

The Honourable Minister for Education, Aviation and Planning, please continue.

Hon. Truman M. Bodden: Thank you, Mr. Speaker.

The point I am making is that making rules, making Standing Order, making laws, it is the duty of Members of this House, first of all, to familiarise themselves with the laws and rules, then to follow them. I pointed to that one area, I did not call any names, where it was obvious that a very important part of the Register of Interests had not been filled in.

The other aspect that Privileges are built on is the acceptance in a democracy of ‘majority rule.’ While we remain a democracy, this House and Committees operate on that principle. It is something that needs to be humbly accepted at times as the votes in different areas move in different ways from time to time.

I would like to go back to *Mays*, the 21st Edition, turning to page 135. About six lines down it says, “**That Committee [a committee of privileges] made their recommendations following their examination of the Report of the Select Committee on Parliamentary Privilege. . . in which it was suggested that in general the House should exercise its penal jurisdiction (i) in any event as sparingly as possible, and (ii) only when satisfied that to do so was essential in order to provide reasonable protection for the House, its Members or its officers from improper obstruction or attempt at or threat of obstruction causing, or likely to cause, substantial interference with the performance of their respective functions.**” We see there some elucidation of areas that could be raised.

Page 392, which I read from earlier, read with these other sections, makes it very clear that this House, this Committee of Privileges, should not try to hive out and grant itself privileges that go beyond those that exist now, Mr. Speaker. It seems that we have just about all the privileges needed. But if they must do so, then your position as Speaker, has to be preserved, and the authority that you have within the Standing Orders and beyond that, hopefully whatever is approved will follow the privileges that are ancient and have been used in other commonwealth Parliaments.

So, the Honourable Member who moved this Motion may wish to amend it so that the Committee of Privileges will consist of all Members of this House with you, Mr. Speaker, as Chairman, and there will be some undertaking that there will be proper terms of reference. What I have heard today as possibilities for a Committee of Privileges cannot, in some of those areas, be dealt with by this Committee. Very early in this long, long session, I called on Members of the House to avoid making angry speeches, to avoid making speeches that were charged, and to try to keep to relevant matters and that, I think, is one of the most important things this Committee should confirm.

The duty of any profession is to discipline itself from within. To be frank, Mr. Speaker, most privileges and conduct are basically common courtesy to one's fellow man. I would say to Members that the most important thing I find with this is that the saying I learned from a minister, "I'd rather see a sermon than hear one any day; I'd rather one should walk with me than merely show the way": show by example that one can be courteous, that one can be polite, and that one has respect for the authority of the Chair and for fellow Members. This has to be the cardinal rule of privileges within this House.

For my part, and I believe it is supported by Members, we do need and we can support a Committee of Privileges, but terms of reference would have to be made right after. Secondly, it should have, as I understand is customary in other jurisdictions, the Speaker in whom 90% of privileges fall within this House. Your decisions are final and absolute. This Committee would be dealing with matters mainly that go beyond that, or complaints raised in relation to Members on matters outside the proceedings of this House.

I am for the Motion, provided there can be an amendment. Mr. Speaker, I did speak to the Seconder of this, the First Elected Member for George Town, and told him I could support this if he would make these amendments. I will stick to my word on that. It is a bit late in the day for anyone else to try to draft amendments to it, but I would stay by my word, and if these amendments can be made, I will be happy to support it. Thank you.

The Speaker: Does any other Member wish to speak?
The Fourth Elected Member for George Town.

Dr. Frank McField: I would like to begin my contribution to Private Member's Motion No. 5/97, To Establish a Standing Select Committee of Privileges, by briefly referring to what the previous speaker said about the powers of the Chair to enforce order. He mentioned page 392 in *Erskine May*, but did not go as far as page 393 where it says, ". . . **the Speaker has been armed by standing orders, with precisely defined summary powers . . .**" That is, the ancient concepts regarding privileges have been refined and modified slightly over a long period of time in Parliamentary history. Some of the privileges had to do with the conflict with the Commons and the Crown and the Lords in feudal societies. Many of the privileges Parliament enjoys come out of historical experiences that

may, to some extent, no longer be relevant. Therefore, it is not fair to take these powers of the Chair to enforce order to the extent that one does not point out that the Speaker himself is guided by Standing Orders.

I hope I understand correctly when I say that what is being attempted here is not to deal with those types of privileges. We have a situation, and I refer to page 84, where:

"Subject to the rules of order in debate. . . , a Member may state whatever he thinks fit in debate, however offensive it may be to the feelings, or injurious to the character, of individuals; and he is protected by his privilege from any action for libel, as well as from any other question or molestation.

"At the same time, article IX preserves the authority of both Houses to restrain and even punish their Members who, by their conduct, offend the House."

My understanding of this Motion is that as a result of the privilege of freedom of speech, the freedom to debate, in order that Parliament might carry out its constitutional duties to the citizens of a country, for Members not to be impeded in carrying out their responsibilities, certain privileges had to be established, especially at a time in history when democracy was not accepted as progressive and beneficial to the entire society. In fact, the old feudal hierarchy was trying to preserve its privileges existing outside the House of Parliament.

Those of us who understand the historical evolution of the concept of freedom of speech also realise that those freedoms are being abused today by certain persons and organisations that take it to mean that we can have freedom without responsibility. When we are talking about responsibility, I understand that we are not talking about heated debates, where Members are speaking to one another. Because I believe, as somebody who comes from the outside, not too long ago was on the outside, more damage and more insult is done to the general public who cannot defend themselves than is done to individual Members in this House who can get up and defend themselves. In a lot of cases the Speaker would bring it to attention that the Member on the floor is imputing certain types of immoral or unethical principles on the part of their colleague. So the whole concept that there exists a fraternity among politicians tends to give them a certain amount of protection, regardless of how their attitudes towards one another might be inflamed by debate.

The concept of privileges was not evolved historically to safeguard the debate primarily between Members, but to ensure that Members in debating would not be impeded by the Crown that was sovereign, and by the House of Lords; that they could be protected in terms of their desires, consciences and convictions, to carry out debate in such a way that it would be beneficial to the entire society. But it is not something that has to do with what one Member says to the other Member. I think politics and Members are thick-skinned enough to be able to get through those hurdles. But what about people on the outside, who are occasionally, I remember, brought into focus, especially during the political campaigning period

that takes place shortly before general elections in this Legislative Assembly? I believe, and I understand, that this Motion might help in saying that we have a code we should follow, and my interest is not in safeguarding the position of the politician. It is not in making that more comfortable, so he can sit and not feel grieved by what another Member is saying. My desire is to see that the general public's rights are not obstructed, that the question of privilege is not used in this House to erode the freedoms we are here to protect in the first place. That is a balancing act. I think most Parliaments have realised it is a tremendous task.

But Mr. Speaker, the kind of political advantages we sometimes get, especially shortly before elections, from violating what we know to be the correct code of conduct, supersedes, in most cases, our own principles of self-righteousness.

Mr. Roy Bodden: True.

Dr. Frank McField: Because, Mr. Speaker, there is this feeling of self-righteousness in this House that sometimes grieves me.

Mr. Roy Bodden: True, true enough.

Dr. Frank McField: We can believe that we are good, but the enforcement of good should not be left to individuals' consciences. We should make the enforcement of good the subject of laws or regulations. If we do that for our citizens, there is no reason we should not do that for ourselves. So we are asking that we as a group realise the need for some form of conduct, and the policing of conduct, that would cause us to be more sensitive and more careful in using our privileges. Because although these privileges are necessary, in the historical sense, they are very extreme principles, and therefore in modern times, there is a necessity to modify or alter these principles in such a way that they do not create hardships for individual persons in our communities. We know too well how persons come by and say, *'They said this about me in the Legislative Assembly, but if I said that about them out here, they would take me to court for libel.'* I believe a change in the attitudes of Members of Parliament would be well-desired by the general public. I believe the general public is behind such a motion, that when the people understand that what is being sought here is not to remove the Speaker from his position to enforce order in the Legislative Assembly, but to make his position easier. Because we are establishing a code of conduct which will assist him in not having to always remind us of our duties and our obligations in using these very privileged positions.

Mr. Roy Bodden: True.

The Speaker: Are you going to another point now? This would be a convenient time for lunch.

Dr. Frank McField: Yes, Mr. Speaker.

The Speaker: We will suspend until 2.30 PM.

PROCEEDINGS SUSPENDED AT 12.56 PM

PROCEEDINGS RESUMED AT 2.40 PM

The Speaker: Please be seated. Proceedings are resumed. Debate on Private Member's Motion continues. The Fourth Elected Member for George Town.

Dr. Frank McField: Mr. Speaker, before we took the *mittagpause*, we were considering the merit of Private Member's Motion 5/97, To Establish a Standing Select Committee of Privileges. Mr. Speaker, we first need to define "privileges." The concept of privilege is designed to ensure the proper workings of Parliament. As I had mentioned before, I did not agree with the previous speaker, that establishment of this Committee would somehow erode Standing Order 41, which gives the presiding officer the power to deal with breaches of order in the House. I have had the opportunity to go through the sections of Standing Order 41, and Mr. Speaker, I do not agree that it would lessen the position of the presiding officer, since most of what is in this Standing Order deals with issues and conduct affecting the ways in which debates are conducted and handled, and gives the Speaker, therefore, the final authority in seeing that the business of the House can be carried out, and should not be interrupted by Members.

On page 393, in dealing with the disciplinary powers under Standing Order 41, the areas we are looking at regarding the Speaker's power are "**irrelevance, or tedious repetition, minor breaches of order, the use of disorderly or unparliamentary expressions, grossly disorderly conduct, grave disorder, and obstruction of the business of the House otherwise than by disorderly conduct or persistence in irrelevance or tedious repetition.**" This is, more or less, giving us a pretty good indication that Standing Orders attempt to put into statute the powers of the Chair, and to define those powers. Not to limit the ability of the Chair to rule over the House, but to give Members a quick indication of the powers of the Chair, so we do not have to guess about it, or question the Chair regarding establishing and accepting these powers.

So again I would like to point out that the last Member's suggestion, or building the argument, based upon the concept that this Committee, if it were established, would be taking away or eroding or duplicating the powers of the Chair, is not founded.

I think we must be careful not to develop a culture of slackness with regard to the political behaviour of Members of the Legislative Assembly. To avoid this, I think there is a strong need to establish a Select Committee of Privileges. This does not mean that the Committee would take away any privilege from Members, but it would hold individual Members accountable for the ways in which these privileges are exercised. Again, I feel it is important for us to realise that although we might have examples

from other countries, we have to use our own creativity and insight to create a political atmosphere or culture in this country that will not only serve us as present serving Members of the Legislative Assembly, but will go to assist future generations in what their conduct and behaviour should be.

If the people in England did not write down or come to some resolution as to what must be as a result of their political experiences, we would not have very many guidelines to go by. But we are in the process of making political experiences for ourselves, and we are a small Parliament. We are aware of many of the difficulties that exist regarding usage of some of these privileges, in particular, the freedom of speech. It is for this particular reason that I support bringing a motion of this type to the House. I would hope that all Members would support this motion, not because it is easy to understand what this motion is, but because the word "privilege" has many connotations. It could suggest that the Committee is trying to superimpose its will on the will which the Parliament of this country has inherited, the right to be able to do the people's business without being hindered.

It is also important whether this Committee is a Committee of the whole House. I think the Committee should be a small Committee to begin with. Then if there were a need for a person brought before the Committee to appeal a decision, that appeal should go to the Speaker of the House. So in a sense, the Speaker of the House, although he is not on a day-to-day basis involved in the actual workings of the Committee, is the final arbiter regarding what is right and correct in use of these privileges. So rather than have the Speaker involved, or have the whole House involved in some of these matters—because hopefully it would be a Committee that would be established, with a term of reference established thereafter, and hopefully the Committee would have no work to do, in the sense that it would not have to discipline its Members, because as we all know, the Members of this House are all perfect! So we would assume that at least for the next three years, the Committee would have no work to do.

We would therefore have a Committee established, not just to deal with this political generation or term, but it would begin to crystallise and formalise what we, as a political generation, think would be good political behaviour, how we should use the privileges which have been handed down to us.

Many, many times I have to think that people who have received their freedom, rights and privileges, not as a result of any struggle of any kind, not like the Americans got their rights as a result of the American Revolution. Not as the English House of Commons and the common people in England got their rights as a result of the struggles in England during the sixteenth century; not like the people in France got their rights as a result of the struggles towards the end of the eighteenth century. People who have had to struggle, people who have had to sacrifice to have privileges, really, truly know the value of those privileges.

But sometimes when privileges are handed down like second-hand clothes, people begin to forget why those privileges were established in the first instance. Therefore there is a need for a reawakening regarding privileges. There is a need for us to go back over what we consider to be our inherent privileges as legislators. In many cases, we have had, in other parliaments of the world, modifications to privileges, and we have had parliaments that have surrendered certain types of privileges as well.

We would be looking for, in this sense, an honest assessment from Members, especially those who have had parliamentary experience over the last twenty years, say, to be able to say in what way they might want to modify certain privileges, in order that the general public can be protected from parliamentary assaults against them, especially nearing elections.

Mr. Speaker, I believe I have dealt with most of the points brought up by the last speaker, in that I have been able to say that the establishment of this Committee would not rob the Chair of its responsibility for the enforcement of order. In fact, the terms of reference could be made right after the passing of this Motion. We are at a cross-roads, when it is no longer possible to think that only legal minds can run countries. I say this because some people have the attitude that as we do things, those things are not well done if they are not formulated in a particular manner. But it depends how a process begins. A process can begin from a humanistic point of view. It can begin with a desire to see something done. So the desire to see that the motives of Members of the Legislative are in line with certain principles of virtue, principles of ancient and modern political behaviour, principles having to do with lack of selfishness, with integrity, objectivity, accountability, openness and honesty. To see that somehow there is an awareness established, institutionalised among us, by way of a Committee, to see that our actions and our attitudes are questioned on a day-to-day basis, is something I consider a move to be complimented. I would like to compliment the Third Elected Member for Bodden Town for bringing this Motion to the House, for allowing me the possibility to understand that what he is saying here is more than the words. Because when we take the word 'privilege' for instance, we find out that we can experience a whole heap of experiences, just through looking at the historical evolution of how parliaments gained privileges in the first place. And we can have an understanding of whether politicians or elected Members should sit selfishly by and guard those principles that people had to accumulate because of the conflicts in which they were found, and today we do not have those same conflicts, but yet we are saying that we want to preserve our privileges, where the general public out there cannot answer back to us. I am in particular concerned regarding statements made by way of this House, in this Legislative Assembly, that cannot necessarily be easily corrected or monitored or controlled by the Chair, because they have to do with individuals' characters and individual people's businesses outside the Legislative Assembly. It has nothing to do with the conduct in here.

Therefore, again, I say that I must compliment the Third Elected Member for Bodden Town, who is not a lawyer! Who does not always formulate things in a rigid legalistic manner! But in his words and in his sayings and in his attitude, there is a uniqueness and a softness and a sensitivity that we know is real. Therefore the Motion has to be taken seriously. Not because of its wording, but because of the implication of the entire exercise. We can always sit down and reword it if we want to, but I think everybody knows exactly what the Motion is attempting to establish. We need to realise that there are different types of education. There are different types of knowledge. And when we live in a very specialised world, when we must make laws for a society that has become very specialised and very complex, we need integrated experiences. We need people with different types of qualifications. And not one of those qualifications, like the spoke in the wheel, is any more valuable than the others. So I believe that when motions come from this side of the Parliament, they will be taken seriously, because even if those motions are defeated, the general public knows that there was sincerity and consideration, and that means that there is a need for this type of motion, and the country will be better off, and the people as a whole would be better off if this were put into play. So I am asking other Members to support this motion, and I am—I am sorry for that short break. I was just trying to get my words together, since I feel that this is a very important Motion. I get the feeling that it might not be supported by the House, Mr. Speaker. There is the concern that it would be truly a waste of the Third Elected Member for Bodden Town, if this effort of his, this sincere concern of his, was not given some serious, sensitive consideration.

Mr. Speaker, the establishment of a Standing Committee regarding a Register of Interests in this country, obviously I was not here at that time. But apparently it was also an introduction into the structure and government of Members of the House that was not necessarily viewed by all as having any relevance. But as we go along, we find out that these things do play a very important part in protecting the public. So I believe that this legislation would be in the same vein as that of registration of interests. So the privilege of an elected Member is being managed by the existence of such a Committee, because we no longer have the same rights and privileges regarding being involved in business, and at the same time serving in the House, that we had before. We do not have the same ability not to register our involvement with businesses as do members of the public. We can see that there is a move in these halls to see that we scrutinise one another, that we act in such a way as to guarantee the public, or at least show the public, that we are willing to live by self-discipline, by rules and regulations which we create to guide ourselves as we continue to do their work.

I would like to say in closing that Members who are more experienced than I am could probably say many more positive things about this Motion, could probably get up and say more about why it is needed, because they have much more experience. A lot of them went through

that election campaign of 1996 that was very, very harsh and very hard on people. All sorts of things came out of it. This is what the public will remember me for saying. The public will remember me for saying that the reason the Standing Committee on Privileges should be established is not to protect Members of the Legislative Assembly, but to protect the public from Members of the Legislative Assembly. I think that if we cannot give the public that type of consideration, it shows that our reasoning might be right, but our feelings are completely wrong.

The Speaker: It is open to debate. Does any other Member wish to speak? The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker.

So that the public of this country can really understand what this Motion is all about, Private Member's Motion No. 5/97 calls for establishment of a Standing Select Committee on Privileges. This Motion is spawned from a desire for truth. Simply put, that is all it is. It reads:

“WHEREAS Standing Order 79 provides that the House may appoint other standing select committees as required from among its Members;

“BE IT NOW THEREFORE RESOLVED THAT this Honourable Legislative Assembly appoints a Standing Select Committee of Privileges to consider and report on any matter affecting the privileges of this Honourable House;

“AND BE IT FURTHER RESOLVED THAT the Committee comprise a Chairman and three other Members of this Honourable House.”

Before we get into the meat of the matter, so that the Motion is very clear, the Chairman of that Committee does not have to be a Member of this Honourable House. It might be, but it does not have to be. I see the Leader of Government Business looking up. While I was not here this morning, I had my commentary. I am not finished, in fact, I have not even started.

The people of this country must understand why this Motion is here right now: It will not change, regardless of what they said before, and the reason it will not change is because they live a lie.

Do not look at me like that, Mr. Speaker. I will explain.

The Speaker: It is not a word I particularly care for.

Mr. D. Kurt Tibbetts: I am sorry, Sir.

Mr. Speaker, the Government juxtaposes every position in their favour. Right now they had better call all of their numbers in because, trust me, when I am finished it will not be good. I will not stray, Sir, I am going to deal with the Privileges of this House.

The biggest culprit in this Honourable Legislative Assembly is the Leader of Government Business. For twenty years he has led the people of this country to believe that anything he says is Bible. He has used the privileges of this House to say so. Mr. Speaker, I will not fail again, but he does not understand the truth. He cannot!

Hon. Truman M. Bodden: Mr. Speaker, on a point of order, Sir. The Honourable Member is imputing that I do not understand the truth and that I do not say the truth. Are we discussing privileges? He must support a statement that wide, with respect.

The Speaker: Please be careful with what you are saying. Explain what you. . .

Mr. D. Kurt Tibbetts: I am very careful and I proved last Friday that the Member I am talking about, the Honourable Minister for Education, Aviation and Planning, the Leader of Government Business, did not speak the truth. If I am lying, we can call off everything now and you can bring the Hansards because I do not lie, and I will not lie to this country.

If he is calling a point of order about the truth, I say so and I say so again—and I say why I say so because he does not know the truth. If he did I would not be able to tell him last Friday what the truth is.

He called the point of order, Sir. I ask you to make a ruling.

The Speaker: Shall we adjourn and look at the Hansard? Is that what you are requesting?

Mr. D. Kurt Tibbetts: Mr. Speaker, any way you choose, Sir. I am saying that the Minister for Education who is the Leader of Government Business does not know the truth. When I said what I said Friday, I proved that he does not know the truth. If what I am saying is not true, let him prove me different, Sir.

The Speaker: I do not think we are dealing with what you said last Friday, we are dealing with what you are saying today.

Hon. Truman M. Bodden: Mr. Speaker, on this same point of order, we are now discussing privileges in the House and being courteous to each other. I hope the public listens to this. But he is making a general statement that I do not understand the truth. I mean. . .

Mr. D. Kurt Tibbetts: Mr. Speaker, let me explain to you, and I will, Sir.

The Speaker: Please continue.

Mr. D. Kurt Tibbetts: For twenty years of this country's life the Honourable Minister for Education, Aviation and Planning has misled this country. He can call a point of order. . .

Hon. Truman M. Bodden: Mr. Speaker, I take a point of order. He said for twenty years I misled this country? With due respect, this has to stop somewhere. I mean, this is untrue.

Mr. D. Kurt Tibbetts: Mr. Speaker.

Hon. Truman M. Bodden: Would you let me finish, please? The Member was not even in this House twenty years ago.

Mr. D. Kurt Tibbetts: I will let him finish, Sir, but twenty years ago I was still listening. And, Mr. Speaker, so as not to put you in a spot, Sir, I will sit down, take my time and I will come back. But I said what I said, and I meant what I said, and the people of this country can decide whether what I said was true or not.

The Speaker: I would like to call to your attention that under Standing Order 28(1) it says: "**A Member who wishes to raise a matter which he believes affects the privileges of the House shall do so at the first available sitting of the House. He shall inform the Presiding Officer of his intention, stating the matter which he proposes to raise.**" You have not done that.

Mr. D. Kurt Tibbetts: Yes, Sir, and I apologise.

The Speaker: Can you move on to another portion of your speech, and come back to this at a later time?

Mr. D. Kurt Tibbetts: I will do that, Sir. No problem. I will come back at a later time.

Hon. Truman M. Bodden: Mr. Speaker, may I just ask, is the Honourable Member withdrawing the statement that for twenty years I have lied, or not told the truth? Or are you going to leave that hanging before the public? Misled the country, rather.

Mr. D. Kurt Tibbetts: Mr. Speaker, again, trust me. I do not wish to put you on the spot. But he will have to deal with that with you because I am not withdrawing that statement. I did not say he lied, I said (and I will say it again) that for twenty years he misled this country. He will never do it again, Sir.

The Speaker: Are you prepared to move under Standing Order 28 at a later date?

Mr. D. Kurt Tibbetts: Yes, Sir.

The Speaker: Then please move on.

Mr. D. Kurt Tibbetts: Thank you very much, Mr. Speaker.

As I said very early in my contribution to this debate, this Motion is spawned by a desire for truth. I quoted the Motion. The Third Elected Member for Bodden Town has

lived under the continual attempts of retribution from the Second Elected Member for George Town. There are times when this country has to know what truth is. And, Sir, my respectful submission before I go any further is that the truth will prevail—it might take some time, but it will prevail. The difference with me is simply that I am here because I have a desire to serve the people of this country. I am not here because I want to be 'god' to anyone.

The beauty in all of that is as I said before, and I am going to use the same style as the Minister for Education who is the Leader of Government Business, I am going to repeat the point I want to make. The difference is, I am going to tell the truth. I want to be here for the people of this country to understand the truth. He is pulling every book that he can now, Sir, to see what he can call a point of order on. And he can call it all he wishes. In fact, if he really has no alternative, I will sit down and give way if he wants to say something. But tell him not to be long, Sir. This is only the beginning, Sir, not the end.

He thought that because I was not here this morning I would not know his commentary. He also thought, I believe, that I would not be here this afternoon. But I am!

I go back to the Motion. The Motion is based on a simple desire for the truth. It might seem like I am pointing every argument today and tomorrow to the Minister for Education, who is the Leader of Government Business. So be it. But I am not going to stray from the point of argument to prove why this Motion is as valid as anything else that has ever happened in this House. I will do that, Sir.

As he looks, he can pull every paper in the book. He can call his battery of lawyers. It does not matter to Kurt Tibbetts. I might go home, but he will not send me home. Not him.

I am going to use an example to show you, the Members of this Honourable House, and the country why this Motion is being brought. When I am through speaking, if there is anything I say which is untrue, I will give way any time for anyone to tell me and prove that it is not true. But I have to use this example to show you why I feel the way I do.

His red pen does not matter. He could have ten of them.

Mr. Speaker, in 1996 on 27 September, the last day of the sitting of this Honourable House, when it had to be prorogued for the people to decide who they wanted to represent them again, that is, for the General Elections, the Leader of Government Business, the Second Elected Member for George Town . . . he can look all he wants Sir, but half-way through, if he stops me it does not matter because I want him to tell me it is a lie. The difference with me, Sir, is that when I stand up in front of you, trust me, Sir, I will not lie to you or to the people of this country. I will not lie. When I am through, I want him to get up and tell me that it is not true because. . .

Hon. Truman M. Boddén: Mr. Speaker, on a point of order.

The Speaker: Let me hear your point of order, please.

Hon. Truman M. Boddén: This is really getting to a stage where any attempt under [Standing Order] 28(1) to raise a matter that affects the privileges has to be at the sitting after. This is quite a few sittings beyond the one in September. Secondly, Sir, if you look at Standing Order 35(3) which states "It is out of order to use offensive or insulting language about other Members," I am sitting here, Mr. Speaker, and basically that is what that Honourable Member has been doing for some time. It really must stop. We are in here debating and discussing matters and to point out and continue to insult me, in my view, is something that should stop.

The Speaker: I would also like to go a little bit further on that. [Standing Order] 35(4) says, "No Member shall impute improper motives to another Member." Honourable Member, we are attempting to debate the Privilege Motion. I understand emotions are running high, but this is going to get us nowhere. We know what privilege is all about and I would ask you not to violate the Standing Orders of this Honourable House because I shall have to call you in order for that. The Honourable Minister for Education, Aviation and Planning has read [Standing Order] 35(3) and I have read 35(4). You have a copy of the Standing Orders, you can read them yourself. I ask you to be very cautious with what you are saying.

There is much merit in this Motion but the method by which we are going about it will not accomplish what we want. Will you please continue?

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker. You have quoted the sections of the Standing Orders. I would ask you now, so that I will really understand, can we have a suspension so that I may read that and understand and not tread on dangerous ground again, Sir?

The Speaker: Certainly, if that is your wish. We will suspend for fifteen minutes.

PROCEEDINGS SUSPENDED AT 3.26 PM

PROCEEDINGS RESUMED AT 4.28 PM

The Speaker: Please be seated. Proceedings are resumed.

We have reached the hour of 4.30 PM. I will entertain a motion for the adjournment. The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: As Honourable Members saw this morning, the agenda for Finance Committee has been circulated. Members are aware that it contains certain items of expenditure which must be cleared before year end. I would like to request the indulgence of the Chair and Honourable Members that when the House resumes we go into Finance Committee meeting. I will also assume that given the various commitments of the Civil Service for tomorrow, and that various Members will

be participating, I assume the House will not resume before Monday. If that is the case, I ask that Members would give consideration for us to go into Finance Committee to get the agenda that was circulated cleared.

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

ADJOURNMENT

Hon. John B. McLean: Mr. Speaker, I move the adjournment of this Honourable House until Monday, 22 December, 1997 at 10 o'clock.

The Speaker: The question is that this House do now adjourn until 10 o'clock Monday morning. Those in favour, please say Aye. . . . Those against, No.

AYES.

The Speaker: The Ayes have it. This House stands adjourned until 10 o'clock Monday morning and it is my understanding that Finance Committee will convene at 9:00 on Monday morning. I should further add that the House will stand adjourned until deliberations in Finance Committee have been completed and the House will resume after Finance Committee has been completed.

AT 4.30 PM THE HOUSE STOOD ADJOURNED UNTIL DELIBERATIONS IN FINANCE COMMITTEE ARE COMPLETED.

**EDITED
TUESDAY
23RD DECEMBER, 1997
11.25 AM**

The Speaker: Prayers by the Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture.

PRAYERS

Hon. Julianna O'Connor-Connolly: 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, and all the Royal family. Give grace to all who exercise authority in our Commonwealth, that peace and happiness, truth and justice, religion and piety may be established among us. Especially we pray for the Governor of our Islands, the Speaker of the Legislative Assembly, Official Members and Ministers of 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.

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

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

The Speaker: Please be seated. Proceedings are resumed. The First Elected Member for George Town.

RAISING OF MATTERS OF PRIVILEGE

Mr. D. Kurt Tibbetts: Before the presentation of Papers and Reports, I crave your indulgence to make a short statement to you, Sir.

The Speaker: Please continue.

Mr. D. Kurt Tibbetts: When we broke on Thursday afternoon during my contribution to Private Member's Motion No. 5/97, I asked for a suspension so that I could

understand the Standing Orders you were referring to during my contribution. Following my discussion with you, I just wish to take this short opportunity to let you know, out of the respect that I hold for you, Sir, and for the Chair, that I realise that it is possible that I may have strayed during my contribution. In the strictest of senses, I may have been deemed at some points to have been out of line.

I wish to make it clear to you, Sir, that regardless of what may have transpired on Thursday afternoon, my intentions have always been, my intentions were then, are now, and will be as long as I am here, to be the best representative that I can be to the people of this country.

I also wish to make it clear that the apology that I give to you is totally out of respect for you and the Chair, because what I believe, I believe. Even if what I say sometimes in this House (on the very odd occasion as that was) may not be said in the proper manner, it is what I believe. I apologise again, Sir.

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

The Speaker: Honourable Members, I crave your indulgence to say a few words this morning. Undoubtedly, all of us are aware that the conduct in this Honourable House has been less than what we would all expect during this meeting and some of the previous meetings. I want to express to each and every one of you that I take my responsibility very highly. I respect the position which you have elevated me to, and, as I said upon accepting the appointment that I would do the very best that I can to uphold the high office, I reaffirm that today. I would like to ask all Honourable Members when in this Chamber and in the precincts of this Legislative Assembly to please act in the way that we all would want to be respected, the way we should and the way we must. We have a responsibility to the people who put us here. We are the servants of the people of the Cayman Islands. We have been entrusted with certain responsibilities, some executive responsibility, some legislative. I have a responsibility as the Speaker.

In order to make my job easier, I ask you all to follow the Standing Orders as near as possible. Above all, I ask that we try to minimise the use of across-the-floor discussions while other Members are speaking. This sometimes adds humour, but I think we can do without that humour. I ask that we watch our language.

It is my intention in due course to circulate to all Honourable Members a list, which will not be inclusive of all, but what I have at my disposal, of all words that through the years have been accepted as unparliamentary.

tary, so each Member will be familiar with them. I shall also attempt to circulate what information I have as to what is expected of each Members.

As we approach the Yuletide season I ask that we express to each other love and respect, realising that we have been entrusted with great responsibilities and are role models for those who will follow us. When we are any less than that we are not fulfilling our responsibilities.

Thank you.

Presentation of Papers and Reports. The Audited Accounts of the Cayman Islands Government for the year ended 31st December, 1996. The Honourable Third Official Member responsible for Finance and Economic Development.

PRESENTATION OF PAPERS AND REPORTS

AUDITED ACCOUNTS OF THE CAYMAN ISLANDS GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER, 1996

Hon. George A. McCarthy: I beg to lay on the Table of this Honourable House the Accounts of the Cayman Islands Government for the year ended 31st December, 1996.

The Speaker: So ordered.
Do you wish to speak to it?

Hon. George A. McCarthy: No, Mr. Speaker.

The Speaker: The Report of the Auditor General on the Financial Statements of the Cayman Islands Government for the year ended 31st December, 1996.
The Honourable Third Official Member.

THE REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE CAYMAN ISLANDS GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER, 1996.

Hon. George A. McCarthy: I beg to lay on the Table of this Honourable House, the Report of the Auditor General on the Financial Statements of the Cayman Islands Government for the year ended 31st December, 1996.

The Speaker: So ordered.
Report of the Public Accounts Committee on the Audited Accounts of the Cayman Islands Government for the year ended 31st December, 1996. The Third Elected Member for West Bay, Chairman of the Committee.

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE ON THE AUDITED ACCOUNTS OF THE CAYMAN ISLANDS GOVERNMENT FOR THE YEAR ENDED 31ST DECEMBER, 1996.

Mr. John D. Jefferson, Jr: In accordance with Standing Order 74(5) I beg your permission to lay on the Table of this Honourable House a copy of the Report of the Public Accounts Committee for the year ended 31st December, 1996.

The Speaker: So ordered.
Do you wish to speak to it?

Mr. John D. Jefferson, Jr: Yes, Sir.

1. REFERENCE: The Standing Public Accounts Committee of the Cayman Islands Legislative Assembly, established under Standing Order 77, met to consider the Report of the Auditor General on the Audited Accounts of the Cayman Islands Government for the year ended 31st December, 1996, as prepared and submitted by the Auditor General.

2. CHAIRMAN AND MEMBERS OF THE PUBLIC ACCOUNTS COMMITTEE: On the 27th of November, 1996, following the General Elections held on the 20th of November, the First Meeting of the 1996 - 2000 Legislature was held whereat the Members of the Committee were elected. The Members of the Committee elected were:

Mr. John D Jefferson, Jr., MLA
Mrs. Edna M Moyle, JP., MLA, Deputy Speaker
Mr. D Dalmain Ebanks, MLA
Mrs. Julianna O'Connor Connolly, MLA
Miss Heather D Bodden, MLA

Hon. John B McLean, OBE., JP., the longest serving Member of the House, under Standing Order 72(7) called a meeting of the Committee on the 12th September, 1997, and appointed Mr. John D Jefferson, Jr. as the Chairman of the Committee.

3. PAPERS CONSIDERED: In accordance with the provisions of Standing Order 77(1), the Committee considered the following papers:

- (1) Report of the Auditor General on the Audited Accounts of the Cayman Islands Government for the year ended 31st December, 1996; and
- (2) The Audited Accounts of the Government for the year ended 31st December, 1996.

4. MEETINGS OF THE COMMITTEE: The Committee held seven meetings, being:

- (1) 12th September, 1997
- (2) 6th October, 1997
- (3) 7th October, 1997
- (4) 10th October, 1997
- (5) 24th October, 1997
- (6) 28th October, 1997; and
- (7) 30th October, 1997.

5. ELECTION OF ACTING CHAIRMAN: In the absence of Mr. Jefferson on the 6th and 7th October, the other Members of the Committee in accordance with the provisions of Standing Order 70(3), elected Mrs. Edna Moyle, to act as Chairman for those two meetings.

6. ATTENDANCE OF MEMBERS: The attendance of Members of the Committee are recorded in the Minutes of Proceedings which are attached and form part of the Report.

7. PERSONS IN ATTENDANCE: In accordance with Standing Order 77(8), the following persons were in attendance:

Mr. Nigel Esdaile, Auditor General
 Mr. Alan Mason, Accountant General
 Mr. A Joel Walton, JP, Deputy Financial Secretary (6th Oct., 1997 (10:03 -10:45 AM) replaced thereafter by Miss Debra Drummond, Acting Deputy Financial Secretary.

Also in attendance were:

Mr. Kenneth Jefferson, Audit Manager, Audit Office
 Mrs. Debra Welcome, Audit Manager, Audit Office
 Mrs. Sonia McLaughlin, Chief Accountant, Treasury Department.

8. WITNESSES CALLED BEFORE THE COMMITTEE: In accordance with the provisions of Standing Order 77(4), the Committee called the following public officers to give information or explanation to assist the Committee in the performance of its duties:

Monday, 6th October, 1997

Mr. Donovan Ebanks, MBE., JP - Deputy Chief Secretary
 Mr. Eric Smith, Director of HM Prison Northward
 Mrs. Theresa Hill, Higher Executive Officer, HM Prison Northward
 Mrs. Rachel Ebanks, Personal Asst. to the Director, HM Prison Northward
 Mr. Daniel Thomas Taylor, Driver, HM Prison Northward
 Mrs. Teresa Kuczynski, Director, Department of Environmental Health
 Mrs. Lesley Marico, Education and Promotions Officer, Department of Environmental Health
 Mr. Martin Edelenbos, Solid Waste Engineer, Department of Environmental Health
 Mr. Deepal Gunawardena, Asst. Chief Environmental Health Officer
 Miss Anna Goubault, Recycling Co-ordinator, Department of Environmental Health
 Mr. Delano Solomon, Registrar General

Tuesday, 7th October, 1997

Mrs. Maria Daly, Debt Collector, Treasury Department
 Mr. Graham Wood, Acting Permanent Secretary, Personnel
 Mrs. Clyde Linwood, Training Services Administrator
 Dr. John Tudor, Chief Education Officer
 Mrs. Hyacinth Conolly, Assistant Chief Education Officer (Planning)
 Miss Hannah Carter, Senior Finance Officer, Education Department
 Mr. Colford Scott, Chief Engineer, PWD
 Mr. George Manderson, Sr., Senior Works Manager, PWD

Also invited to attend this meeting was Mr. Brian Boxill, Director, Economics and Statistics Office, who did not attend but later tendered an apology for his absence.

Friday, 10th October, 1997

Mrs. Angela Martins, Director of Tourism

9. COMMITTEE'S FINDINGS AND RECOMMENDATIONS:
 Government's Financial Performance 1996

(1) In keeping with its practice in previous years, the Committee has decided to open its 1996 Report with some general comments. Government's financial position improved markedly during 1996. Year-end cash balances increased by \$9.621 million, with a further \$3 million transferred to General Reserve.

Overall there was a surplus of \$11.902 million after crediting loan financing of \$22.381 million. Recurrent revenues increased by 11.8% compared to 1995 and totalled \$195.162 million, some \$10.6 million above the estimate presented to the Legislative Assembly. The strong revenue performance is consistent with general economic conditions. However it is appropriate for the Committee to recognise the greater efforts made by Controlling Officers and the more effective debt collection procedures introduced by the Financial Secretary in March 1996. Recurrent expenditure increased by 13.2% in 1996 to \$156.723 million, approximately \$3.3 million less than the initial 1996 budget. Capital expenditure amounted to a record \$34.091 million. The major areas of capital expenditure in 1996 were: Medical Facilities (\$6.5 million); Road Construction and Resurfacing (\$5.2 million); Vehicles and Equipment (\$4.8 million); Purchase of Lands (\$4.5 million); School Buildings (\$2.9 million); and Public Buildings (\$2.4 million).

Audit Opinion – Accounting for Overseas Medical Expenditure

(2) The Committee notes that the Auditor General has again qualified his audit opinion on the 1996 accounts of Government due to his disagreement with the accounting treatment for overseas medical advances. Overseas medical expenses for non-entitled persons have continued to be charged against an advance account and were therefore not classified as expenditure in the annual accounts. During 1996 outstanding medical advances increased from \$7.7 million to \$9.8 million net, after repayments and writes-off. The Committee agrees with the Auditor General that the practical effect of the present accounting policy is to defer recognition of expenditure to future periods. The accounting treatment distorts the financial position of Government in two ways. Firstly, annual expenditure is being understated by between \$2 million to \$2.5 million each year. Accumulated advances will eventually have to be brought to account. At that stage, the expenditure reported for a particular financial year would be inflated with expenses incurred in prior years. Secondly, assets are overstated in the annual Statement of Assets and Liabilities. At 31 December 1996 total assets of Government amounted to \$23.2 million, of which 42% (\$9.8 million) are overseas medical advances. In our Report on the Auditor General's 1995 Report, the Committee concluded that part of the advances balance will inevitably have to be written off as irrecoverable. That portion of the overseas advances deemed irrecoverable, as yet unquantified, is clearly deferred expenditure. It is also expected that the remaining advances will be converted to long term loans. Under generally accepted cash accounting conventions long-term loans recoverable are not included in the Statement of Assets and Liabilities.

(3) In our Report on the 1995 accounts, the Committee noted the accounting issue would be addressed during the review of the Public Finance and Audit Law. The Committee made three specific recommendations:

- (i) An annual provision should be included in the budget to cover overseas medical expenses for non entitled persons;
- (ii) Expenditure accumulated in advance accounts should be expensed in the Receipts and Payments account as soon as possible;
- (iii) All necessary steps should be taken by the Health Services Department to recover overseas medical advances from those able to pay.

The Committee makes these same recommendations again and adds a further:

- (iv) The Health Services Department should ensure that overseas medical advances are secured in all cases where it is considered that the advance is repayable.

The Committee is aware that the Honourable Financial Secretary has established a working group to deal with overseas medical advances. However, during the evidence session with the Treasury Debt Collector, the Committee learned that not a single overseas medical advance has been referred for recovery action. This seems very odd, especially as several of these debts are over four years old and the prospect of recovery diminishes with the passage of time. The Committee reiterates that every effort must be made to resolve the accounting issues and to collect outstanding overseas medical advances. The Committee expects to see evidence of positive action during the next 12 months.

Public Debt

(4) The Committee was pleased to note the section dealing with the definition and disclosure of public debt in the Auditor General's Report. The expanded definition and disclosure information was derived from recommendations made by the International Organisation of Supreme Audit Institutions (INTOSAI) and has been provided in order to make public debt more understandable to legislators and other interested stakeholders. The Committee agrees that the information provides a better insight and helps to place government borrowing policy in perspective. The Committee recommends that this information should be updated regularly and presented to the Legislative Assembly through the annual accounts of Government.

(5) On a related issue, the Committee acknowledges that successive governments of the Cayman Islands have adopted a cautious and prudent approach towards borrowing. As a result, the total public debt of central government, its statutory authorities and state owned enterprises has been held at very modest levels, currently 11% of gross domestic product (GDP). The principle of legislative control of public debt is enshrined in the Public Finance and Audit Law, which requires that the government shall not borrow money except in accordance with a law, which, of course, must be passed by the Legislative Assembly. The Committee considers that the current review of the Public Finance and Audit Law offers an opportunity to strengthen legislative control in this important area. The Committee supports the concept of a statutory debt ceiling, which could be based on recurrent revenue or GDP and recommends that this matter should be referred to the Legislative Assembly for discussion and input.

Writes Off, Waivers and Losses

(6) The Committee agrees that legislators need to be made aware of losses and special payments in order to properly discharge their duty to oversee the Executive Branch. Effective public accountability and good governance can also be improved through full disclosure of losses and special payments in the annual accounts. The Committee recommends that Government should give consideration to widening the definition and reporting of losses and special payments along the lines suggested by the Auditor General.

(7) The Committee questioned the Director of Tourism concerning the ex-gratia payment of \$15,270 paid to an overseas

officer. The payment was made to the former Director of Sales and Marketing for the Department of Tourism in United States, who became ill late 1994. It was initially thought that he would make a full recovery and return to duty. The officer received approximately five months on full pay and a further 12 months on half pay. When it became clear that the officer would be unable to return to work, a decision was taken to terminate his services. Staff in the Department's North American organisation are not employed on contract terms but rather under a letter of appointment. The Committee was informed that legal guidance was obtained both locally and in the United States to determine that the process of termination complied with relevant legislation. The Department was concerned that the officer could have brought a legal action against the Cayman Islands Government had he been terminated after, say, three months on sick leave, as provided for in General Orders. A request was made to Executive Council for some form of ex-gratia payment in recognition of the officer's 20 years of service with the Government and for the contribution he had made to develop sales and marketing for the Islands. The payment represents three months salary. The Committee has no objections to this payment. The Committee agrees that the payment fell within the general ambit of the Department of Tourism's vote and consequently there was no requirement for specific prior legislative approval. The Committee agrees that no further action is needed in this case.

(8) The Committee also took evidence from the Registrar General about the waiver of late filing fees payable under the Companies Law. Companies, other than Exempted Companies, are liable to pay \$1 per day late filing fee for each day after the 31st of January each year that the annual return and filing fee remains outstanding. According to the analysis of cash deposits for company fees, in 1996 only 19% of all companies filed and paid by the due date. The Committee recognises that substantial late filing fees are not enforced, but considers that the Auditor General's estimate of \$1.8 million is too high. The Registrar General informed the Committee that late filing fees are only imposed when a company is being reinstated. The Registrar has power to waive any penalty prescribed under section 217 of the Companies Law. The Committee recognises that the main problem is all company fees are payable by 31st January of each year. At 31 December 1996 an amount of \$2.334 million of company fees was reported as in arrears, that is, 11 months overdue. Subsequently, \$2.1 million of this has been abandoned and the companies struck from the Register. One approach considered several years ago was to change to a system of anniversary billing, which would spread the work-flow more evenly over the calendar year. The Committee recommends that the Portfolio of Finance and Economic Development should review the system for processing annual returns and licence fees, with a view to improving work-flow within the Registry and optimising revenue collection. There should be appropriate sanctions for non-payment or late payment of fees, which the Registrar is able to implement effectively.

HM Prison Northward

(9) The operation of Her Majesty's Prison Northward cost the taxpayer about \$4 million in 1996, or about \$21,250 for each inmate incarcerated. Salaries and wages consumed 72% of the 1996 budget with the balance made up by other operating expenses. The Prison is operating at or near full capacity and currently has an establishment of 100 officers and administrators, plus additional weekly paid personnel. It has been evident to the Public Accounts Committee for some time that the Prison's organisation lacks the administrative and financial skills found in

most other government departments. Concerns were first raised with the Auditor General's 1993 Report, which highlighted excessive overtime worked by administrative personnel during 1991 and 1992. The Prison's recurrent budget has also been overspent by small amounts in each of the last three years. Previous explanations provided to the Committee centred on the need for additional accommodation, administrative personnel and the lack of computers to process the large volume of transactions. However the picture now emerging through the Auditor General's current report, and through the Committee's examination of witnesses, points to misuse and waste of public funds, compounded by weak management control and oversight of the finance and administrative functions.

(10) The Committee would like to preface this section of the Report with observations on the conduct of certain witnesses from the Prison. The Committee spent over three frustrating hours in examination of witnesses who evaded questions, exhibited selective memory loss and generally tried to hinder the Committee from determining the true facts. In the Committee's opinion, the conduct of these officers is tantamount to contempt of the Legislative Assembly. The Committee seeks the support of all Elected and Official Members of Government to ensure that their staff are aware of the importance of the role of the Committee in helping to maintain the financial integrity of the Cayman Islands' Parliamentary system of government. All persons appearing before the Public Accounts Committee should understand that they must answer fully and truthfully. The Committee intends to make recommendations to amend the Legislative Assembly Standing Orders to prevent this type of behaviour recurring in the future.

Purchase of Food and Dietary Supplies

(11) Much of the Committee's time was spent examining purchases of certain foodstuffs and household requirements which it considered to be wholly inappropriate for use in a prison. Items purchased include vitamins, hair tonic, foam bubble bath, Easter buns, candies, sodas, expensive cat food, premium turkey breast, fabric softener, deodorants, etc. The Auditor General's staff identified \$13,400 of questionable purchases, though we believe that the total will probably be considerably higher. The Committee believes that this practice has been carried out for a number of years with the knowledge of successive management. The purchase orders and supplier invoices processed by the Prison and paid by the Treasury Department contained only a general description of "goods" or "merchandise". The Accountant General agrees that the invoices should have been supported by lists from the supermarkets and that Treasury personnel should have been more vigilant to ensure that proper documentation supporting these payments was in place before authorising such payments.

(12) The Committee questioned the Director and supporting staff extensively about the purchases. While witnesses agreed that the items were inappropriate for use in a correctional institution, no one was able or willing to say who had ordered the goods or who had consumed them. While some of the items may have been used in the prisoners' canteen, the Committee is of the opinion that some items were ordered and consumed by Prison personnel. The amounts in question may not seem large in context of the Prison's budget, but the Committee is greatly concerned that the irregularities uncovered during the audit may be just the tip of the iceberg. The Committee notes that the Director has promised to try to determine who con-

sumed the articles and, if appropriate, make deductions from salaries. However no action appeared to have been taken at the time of the Committee's enquiry and we have no confidence that an internal investigation will ever elicit the truth.

The "Priscraft" Operation

(13) "Priscraft" is the name given to the trading activities, which the Prison engages in as part of the rehabilitation of prisoners. The "Priscraft" operation produces goods and services in the areas of ceramics, tailoring, motor vehicle repair and woodworking. Prison inmates, who benefit from practical experience in these areas, provide labour. In 1989, the incumbent Prison Director opened a bank account for this operation without the knowledge or approval of either the Financial Secretary or the Legislative Assembly. The matter was regularised in 1991 and the Prison was given the privilege of operating its own bank account outside the confines of General Revenue up to a maximum balance of \$20,000. The Resolution approved by the Legislative Assembly required proper records to be maintained; that receipts and payments must be easily verifiable; and that quarterly summaries of transactions should be furnished to the authorities.

(14) The Committee has established that virtually none of these conditions has been complied with. Proper records do not appear to have been maintained for the operation and the Director was unable to tell the Committee what the gross sales were for 1996. When the auditors visited in September 1996 no transactions had been entered into the cash book, which had never been reconciled with the bank account. The Director agrees that no proper accounting records have been maintained. The Committee therefore concluded that it would be impossible for accurate accounts to be prepared for periods up to 1996. The issue of financial management is further complicated because public funds (part of the Prisoner Rehabilitation vote on Head 07) have been used to purchase raw materials and other inputs for "Priscraft". The Committee enquired from the Director the amount of public funds used in "Priscraft" operations but was unable to obtain any details. Since a total of \$459,223 has been spent on Prisoner Rehabilitation between 1991 and 1996, the potential cost to the taxpayer of the "Priscraft" operation is considerable.

(15) One issue of particular concern to the Committee was that prison officers had been permitted to accumulate large volumes of credit sales. At the date of the audit the exact amount of receivables could not be determined. Management thought that the figure might be in the region of \$40,000 to \$50,000, including an estimated \$15,000 from prison officers. The Committee is pleased to note that all debts owed by prison officers had since been repaid in full.

Welfare Fund

(16) The Committee also took evidence on the use of welfare funds. The major part of voted funds between 1991 and 1996, (that is \$98,000 out of total expenditure of \$137,481), has been transferred to the Prison Officers Staff Welfare Fund to assist with life insurance for prison employees. The Staff Welfare Fund is a non-public fund so this Committee has no jurisdiction over its operations and management. However the Committee was greatly disturbed to learn of an alleged misappropriation of funds from this entity. Following a request from the Prison Director, the Auditor General reviewed the operation of this fund. The Auditors established that no financial statements or reports had

been presented to either the members or the management committee since September 1995 and that no adequate independent audit seemed to have been carried out in recent years. Adequate records of receipts and payments do not appear to have been maintained since September 1995. There was no sub-ledger of amounts owing for staff loans and the auditors were unable to locate most of the documents supporting cheque disbursements in 1995. In short, there was nothing for the Auditor General's staff to audit.

(17) The Auditor General's staff have designed a manual of accounting procedures with exhibits of simple financial statements and vouchers such as deposit and cheque disbursement forms. The auditors have also used commercial accounting software to set up a computer based accounting system. However this is not yet in operation because the Staff Welfare Fund apparently does not have sufficient resources to purchase a computer and the software package. Audit personnel have therefore set up a manual accounting system to record transactions from July 1997 and have provided training to Prison personnel. It remains to be seen whether any financial statements for 1995/96 and 1996/97 will ever be produced. The Committee also noted that welfare funds have been used for a variety of purposes including purchase of furniture and soft furnishings for prison officers' accommodation. It is not clear to the Committee whether or not this is an appropriate use of funds.

Overtime

(18) The Committee concluded that tighter controls are needed to limit the amount of overtime worked at the Prison. The Director has confirmed that the practice of overtime paid during the lunch hour has now ceased.

Recommendations

(19) The Committee concludes that there has been abuse and misuse of public funds at the Prison and has lost confidence in the present management. The fact that funds involved are not large in context of the Prison's total operating cost is immaterial. The Committee makes the following recommendations:

- (a) Personnel responsible for the financial management and administration of the Prison should be changed as a matter of urgency and replaced with capable and reliable officers. Consideration should also be given to separating the operational and administrative functions at the Prison.
- (b) The Treasury Department should review internal controls with respect to payment processing to ensure that all payments are properly supported with adequate documentation which shows clearly the goods or services provided.
- (c) Disciplinary action should be taken against those responsible for misusing public funds through the purchase of foodstuffs and supplies for personal consumption.
- (d) The Controlling Officer must review all financial procedures at the prison to ensure that there are proper controls over the purchase, accounting, disposal and/or consumption of all supplies and consumables.
- (e) The Prison should develop and publish an annual analysis of operating costs, for example the annual

cost for feeding each prisoner, annual overtime per capita, etc..

- (f) There seems to be no justification for using large amounts of public money to subsidise the "Priscraft" account, an operation that incurs no staff costs or overheads. With immediate effect all subsidies to "Priscraft" from the prisoner rehabilitation vote should cease and the trading operation placed on a proper self-financing and self-supporting basis. In this way the efficiency of the operation can be assessed realistically.
- (g) The financial management and accountability of the "Priscraft" activity must be reviewed as a matter of urgency and radically improved. Better accounting and audit arrangements are essential. As a minimum, an audited receipts and payments account of "Priscraft" operations should be prepared each year and presented to the Legislative Assembly, perhaps in the form of a separate Fund. In the longer term it would be preferable for "Priscraft" to operate on the accruals basis of accounting.
- (h) An attempt should be made by management to prepare accounts for "Priscraft" for 1997.
- (i) Management should ensure that proper credit controls are instituted to prevent large balances being accumulated by staff and customers.
- (j) The Portfolios of Finance and Economic Development and Internal and External Affairs should review expenditures by the Police and Prison Departments on the staff welfare votes. A review is also needed to examine the funding sources and level of life insurance coverage arranged by each of the uniformed services.
- (k) The Portfolio of Internal and External Affairs should ensure that there are adequate accounting and audit arrangements for all non-public funds operated for the benefit of civil servants and their families.
- (l) The Committee wishes to be informed of the progress made by the Prison Staff Welfare Fund in regularising its financial affairs.
- (m) The Committee expects the Portfolio of Internal and External Affairs and the Auditor General's Office to monitor closely the Prison Department's compliance with these recommendations during 1998.

The Committee hopes that the government will respond to these detailed recommendations in the Government Minute on the Committee's Report.

Department of Environment Recycling Programme

(20) The government's recycling programme commenced in 1993 in an effort to reduce the amount of waste placed in the landfill. The consultant estimated that 28% of the waste stream could be recycled, although only 50% would be recovered, for a total waste reduction of around 14% to 15%. The Audit Office estimated that less than 1% of the total waste stream was diverted from the landfill. By the end of 1996 the recycling programme included automotive batteries, corrugated cardboard,

aluminium cans and used motor oil. Additional programmes are being developed for other recyclable materials. Total cost of the programme to 1996 was \$888,382. Gross revenues received do not cover shipping costs. The Department of Environmental Health (DEH) was aware that recycling was not cost effective, mainly because of high transportation costs.

(21) The Committee notes from the Auditor General's Report that many of the initial assumptions included in the department's appraisal of recycling projects were based on established recycling programmes in the United States and that some of the forecasts were too optimistic. Appraisals carried out by the Department on each of the recycled items used an inappropriate figure of \$116 per ton as the cost of disposing solid waste. This relates to the total cost of collection, disposal and administration. In 1991, the disposal cost calculated by consultants was \$26. The relevant cost of disposal is currently assessed to be about \$48 per ton. The Department told the Committee that it was not able to determine costs of operations until 1996 and therefore used the total disposal cost of \$116 per ton as given in the consultants' 1991 report. The Department recognises the need to maintain good statistical data to provide information when commencing a project and documenting its success. It is the goal of the department to ensure that future projects are economically viable. The Committee recommends careful appraisal of any new recycling activity, which should proceed only if revenues are sufficient to cover additional costs.

(22) The Committee was concerned that approximately 20,000 to 30,000 gallons of used motor oil may be unaccounted for each year. It was pleased to learn that two private sector companies already have procedures in place to ship used motor oil off island. The Committee was informed that hazardous chemicals have been left in rusting drums amongst the used oil at the sanitary landfill. The Committee is greatly concerned that this presents a serious environmental risk and urges that immediate attention is given to the proper disposal of these chemicals and the site cleaned up. The Committee also learned that a Public Education Officer has been appointed recently and looks forward to an effective education programme being implemented. The Committee was informed that a public awareness campaign on the proper management of waste oil is planned for the upcoming year. The Committee recommends that the private sector should assume more responsibility for the recycling of used motor oil, if necessary through legislation.

(23) The Committee has been made aware through the Auditor General's Report that the Department's medical waste incinerator has been malfunctioning and is now obsolete. The Committee feels very strongly on this matter and recommends that this problem should be addressed as a matter of urgency and appropriate remedial action implemented immediately. Consideration should be given to employing personnel qualified to operate the replacement equipment. The Department should also review the arrangements for disposal of medical waste on the Sister Islands.

(24) The Committee was informed that the Ministry of Agriculture, Environment, Communications and Works is presently reviewing legislation relating to the importation and subsequent safe disposal of hazardous materials and examining the disposal costs of certain materials. The Committee recommends that this review is carried out expeditiously and that draft legislation is brought to the Legislative Assembly for consideration.

(25) The recycling programme has not achieved any significant extension to the life of the sanitary landfill. The Committee enquired whether other areas were being looked at as a future site for another landfill operation. The Committee was informed that a landfill site has been identified for Cayman Brac. On Grand Cayman, there has been some negotiation with landowners about expanding the landfill site, but DEH is not responsible for handling these negotiations. DEH is currently looking at expanding capacity on site.

Public Works Department Road Maintenance & Construction

(26) Between 1992 and 1996 approximately \$23.6 million was spent on road maintenance and construction. Many of the capital projects have been carried out directly by Public Works Department, but all hot mix and some chip and spray work has been contracted out. The Committee noted that road construction materials had been purchased from a single source supplier on a non-competitive basis. It was established by the Auditor General that over \$2.7 million of materials had been purchased from this supplier between 1992 and 1996. Despite the substantial quantities purchased, the Department did not negotiate either a price discount or a fixed or firm price supply agreement. The Chief Engineer told the Committee that road construction materials had been purchased at market price because, to be able to get a good price, it is important that approximate quantities of materials to be purchased is known. The Committee is not satisfied that enough effort was made to ensure that PWD secured the lowest prices for road construction materials.

(27) The Chief Engineer told the Committee that in the absence of a roads plan PWD is not able to estimate the quantities needed on a long-term basis. This therefore makes it difficult to negotiate a fixed or firm price or discounts with the supplier. The Department undertook that it would ensure that better rates are achieved in the future. The Committee was informed that a roads plan is being considered and that the terms of reference were currently being clarified.

Purchasing Procedures

(28) Purchasing procedures at the Public Works Department for the procurement of goods and services for the maintenance and improvement of government buildings were not carried out in compliance with departmental purchasing procedures and Financial and Stores Regulations. The Committee is concerned that purchases made from a local supplier without competitive bid had been marked-up excessively, in some cases over 100%. The Committee strongly recommends that Government discontinue trade with this company and its overseas suppliers and further recommends that Government conducts an inquiry into all purchases made from this supplier and, if possible, tries to recover any excessive payments made. The Chief Engineer told the Committee that Public Works Department has since ceased to do business with this company. An alternative supplier has been identified and the department has secured better prices.

(29) The Committee was pleased to know that the recommendations of the Auditor General had, where possible, already been implemented by the Public Works Department and weaknesses improved. The Committee stresses the need for better operational and financial controls in PWD, as it is one of the largest spending departments in government. The Committee was satisfied that the Chief Engineer had taken appropriate

action to remedy the matters raised by the Auditor General. The Committee congratulates the Chief Engineer on the speedy action taken to implement the recommendations of the Auditor General.

(30) The Committee is concerned that many jobs are contracted out to private sector air-conditioning and refrigeration companies, even though the Department appears to have sufficient numbers of staff in the Electrical and Air-conditioning section. The Committee is also aware that a considerable amount of overtime is worked in this section. The Chief Engineer informed the Committee that he was aware of the problem and would be taking steps to address it.

Testing of Road Building Materials

(31) Public Works Department is unable to carry out materials testing on island. The Chief Engineer told the Committee that he was satisfied that the limited amount of overseas testing carried out was sufficient. Materials used in road construction had been purchased from a single supplier and therefore the quality and specification would not alter significantly. The departmental lab was not functioning as a soil and asphalt testing facility, but was used mainly for the production of traffic signs. PWD explained that most of the equipment needed for road-testing materials was worn out and in poor condition. The Committee was told the Department hoped to reinstate operation of the lab as a materials testing facility. In the light of possible future major road works, the Committee recommends that the lab be made operational as soon as possible through the purchase of necessary equipment.

10. **ACKNOWLEDGEMENTS:** The Committee wishes to place on record its sincere appreciation to:

Mr. Nigel Esdaile, Auditor General, Mr. Kenneth Jefferson, Mrs. Debra Welcome, Audit Managers and staff of the Audit Office for their thorough and honest assessment of the various operations of the Government, its Departments and Statutory Authorities; Mr. Joel Walton, Deputy Financial Secretary and Miss Deborah Drummond, Acting Deputy Financial Secretary; Mr. Alan Mason, Accountant General and Mrs. Sonia McLaughlin, Chief Accountant, for their assistance and advice to the Committee; to those Witnesses who appeared before the Committee and co-operated and for the valuable information offered; and the Clerk and her Staff for their assistance to the Committee.

As Chairman of the Committee, I wish to thank the Members of the Committee for their valuable input and efforts made to attend meetings of the Committee in order that this Committee could report to this Honourable House in a timely fashion. Additionally, I wish to personally thank Mrs. Edna Moyle, JP., Deputy Speaker, who, during my absence from two meetings of the Committee, acted as Chairman.

11. **REPORT OF THE COMMITTEE:** The Committee agrees that this Report shall be the Report of the Standing Public Accounts Committee on the Report of the Auditor General on the Audited Accounts of the Cayman Islands Government for the year ended 31st December, 1996, and laid on the Table of this Honourable House in accordance with the provisions of Standing Order 74(5). Under Standing Order 77(9), this Report of the Standing Public Accounts Committee shall be deemed to have been so agreed to.

The Speaker: Interim Report of the Standing Register of Interests Committee. The Honourable Minister for Community Affairs, Sports, Women, Youth and Culture.

INTERIM REPORT OF THE STANDING REGISTER OF INTERESTS COMMITTEE

Hon. Julianna O'Connor-Connolly: I beg to lay on the Table of this Honourable House, The Interim Report of the Standing Register of Interests Committee.

The Speaker: So ordered.

The Interim Report of the Standing House Committee. The Member for North Side.

THE INTERIM REPORT OF THE STANDING HOUSE COMMITTEE

Mrs. Edna M. Moyle: In accordance with Standing Order 72(5), I beg to lay upon the Table of this Honourable House the Interim Report of the Standing House Committee.

The Speaker: So ordered. Do you care to speak to it?

Standing Order 72(5)

MOTION TO ADOPT RECOMMENDATIONS CONTAINED IN THE REPORT OF THE STANDING HOUSE COMMITTEE

Mrs. Edna M. Moyle: No, Mr. Speaker, but in accordance with the provision of Standing Order 72(5) I move that the recommendations contained in the Interim Report of the Standing House Committee be adopted.

The Speaker: Do you have a seconder?

Miss Heather D. Boddan: I second the Motion, Sir.

The Speaker: I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: RECOMMENDATIONS CONTAINED IN THE INTERIM REPORT OF THE STANDING HOUSE COMMITTEE ADOPTED.

The Speaker: Report of the Standing Finance Committee (Meeting held 20th December, 1996). The Honourable Third Official Member, Chairman of the Committee.

REPORT OF THE STANDING FINANCE COMMITTEE (MEETING HELD 20TH DECEMBER, 1996)

Hon. George A. McCarthy: I beg to lay upon the Table of this Honourable House the Report of the Standing Finance Committee (Meeting held 20th December, 1996).

The Speaker: So ordered.

Hon. George A. McCarthy: The details of the agenda were extensively aired. On that basis, rather than being repetitive I would just like to table the report.

The Speaker: Report of the Standing Finance Committee (Meeting held 22nd December, 1997). The Honourable Third Official Member responsible for Finance and Economic Development.

REPORT OF THE STANDING FINANCE COMMITTEE (MEETING HELD 22ND DECEMBER, 1997)

Hon. George A. McCarthy: I beg to lay upon the Table of this Honourable House the Report of the Standing Finance Committee (Meeting held 22nd December, 1996).

The Speaker: So ordered.

Item number 8 Cayman Aviation Leasing Ltd - Unaudited Accounts for the period 30th August 1995 to 8th December 1997. The Honourable Minister for Education, Aviation and Planning.

CAYMAN AVIATION LEASING LTD UNAUDITED ACCOUNTS FOR THE PERIOD 30TH AUGUST 1995 TO 8TH DECEMBER 1997

Hon. Truman M. Boddan: I beg to lay on the Table of this Honourable House, Cayman Aviation Leasing Ltd - Unaudited Accounts for the period 30th August 1995 to 8th December 1997.

The Speaker: So ordered. Do you wish to speak to it?

Hon. Truman M. Boddan: This company is a fully owned subsidiary of Government. It is owned fully by Government. It holds the jet that Government is purchasing and which it leases to Cayman Airways. This shows that it has made a profit of \$2,063,672.

During the period since the aircraft was purchased (and it is being paid for by Cayman Aviation Leasing over a five year period) Cayman Airways Limited has paid to Cayman Aviation Leasing \$2,781,000 which, if the jet had remained owned by Cayman Airways would have shown as a profit in the profit and loss account. At present the amount owing down to August (and it would be reduced considerably more by now) was under \$3 million. Therefore, in another less than three years the Government will own the jet outright. The jet was purchased for \$5.2 million. The repayments have been \$2,267,142 together with interest all of which has been paid by Cayman Airways through the rental agreements.

Along with this, Cayman Airways has also paid \$754,000 in reserves. At present Cayman Aviation Leasing as a holding company of the Government, fully owned

by Government to hold the jet, is showing a profit of \$2,063,000. What we propose to do with the second jet that is purchased is to put it into a separate company, similar to this, but owned by the Government, and lease it to Cayman Airways Limited.

This jet, which less than US\$3 million is owed at present, is now selling in the market at \$7.5 million. So the true profit on that jet is in the area of \$4.5 million to the good. As I said, these accounts, while it makes Cayman Aviation Leasing look very good, has a side effect of showing that this large profit in this account (for Cayman Aviation Leasing) shows as a loss in Cayman Airways because the jet is owned by Cayman Aviation Leasing. But for legal reasons and to preserve the asset (the jet) it is important that this be done. It is similar to what was done for the 727-200s when I was involved in the purchasing of them many years ago. I ask Members to read the accounts of Cayman Airways and reflect on the accounts of Cayman Aviation Leasing.

I would like to thank the Board of Cayman Aviation Leasing and the shareholders of it (the Government) for their co-operation throughout.

The Speaker: Item nine, Cayman Airways Limited - Audited Accounts for the year ended 31st December 1996. The Honourable Minister for Education, Aviation and Planning.

CAYMAN AIRWAYS LIMITED—AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1996

Hon. Truman M. Boddan: I beg to lay on the Honourable Table the Audited financial statements of Cayman Airways Limited as at 31st December 1996.

The Speaker: So ordered.
Do you wish to speak to it?

Hon. Truman M. Boddan: I will be brief but I think it is important for me to comment on these accounts.

The report of the auditors on Cayman Airways Limited is unqualified, in other words, it is a clean audit report. The cash position in Cayman Airways has improved from the position back in 1993 when the bank overdraft and loan stood at \$6,418,000. At present it has been reduced to \$3,897,000.

On the loan itself, Cayman Airways has paid \$1,750,000 up to, maybe July or August this year. It has also paid interest on the account. The area I mentioned earlier, there is accumulated profit of \$2 million in Cayman Aviation Leasing. In effect, \$4.5 million on the revaluation of the jet. The accounts for this year show a loss of \$1.6 million for the year. Out of that were write-offs of the Boeing 737-400 spares of \$253,560, as well as another \$502,000 depreciation of plant and equipment.

The accounts show that Cayman Airways has stabilised. As I mentioned earlier, the position in Cayman Airways has to be also looked at in the light of Cayman Aviation Leasing which Cayman Airways is paying some

very heavy rental payments for the jet which they will own—that is, that Government will own. So when these are looked at together it shows that basically there is very little loss, if any, and definitely no loss if there is a re-valuation of the jet.

In other words, if the jet had remained on the books of Cayman Airways, then we would have been showing all of the lease payments that were made in the last two and on-half years as a profit in Cayman Airways. I know that this is sometimes not easy to get through to the public, but it is very important that the separation between Cayman Airways and Cayman Aviation Leasing remain and that one continues to make a profit (Cayman Aviation Leasing) even though Cayman Airways is suffering a loss as a result of those payments.

The completion of the Strategic Plan CAL-21 is into these accounts and also the amounts for the Civil Aviation Authority while I doubt if Cayman Airways has every paid cash in the past for these, even though I think for one year we paid cash for them. But these are factored into the accounts so that the position of the accounts here is correct.

I would like to further point out that the flight equipment we are holding on the 737-400s has now been written down considerably as the accounts show. Paragraph 9 in the notes states that **“during 1994 the company negotiated the early termination of the lease of the 737-200 aircraft and consequently was able to avoid incurring maintenance cost which management estimates would have exceeded \$1 million which would have been accrued in the normal course of business at 31st December, 1994.”** So there have been areas where we have been able to save by prudently (both the Managing Director, the General Manager, and the Board) dealing with Cayman Airways' business.

At paragraph 13, which is headed “Related Parties”, I would just like to read what the audit says, **“The company leases one aircraft under a five year agreement with Cayman Aviation Leasing Limited, a company wholly owned by Government. Monthly payments include a fixed base rent amount and variable maintenance reserve as discussed in note 3. Amounts paid under the lease [this is just for this year] which are typical of arm's length lease agreements aggregated \$1,236,00 and \$644,928 for maintenance and reserves respectively for the year ended 31st December, 1996.”** That shows nearly \$2 million paid for rental and maintenance to Cayman Aviation Leasing in one year alone. The payments on the jet would have been assets in Cayman Airways if it had owned the jet.

I think it is also significant that we are buying a spare engine at a cost of \$1.2 million. We have paid out a fair sum of money to upgrade the jet that we own (VP CAL). For example, \$173,596 was paid for new seats for the Government-owned aircraft and we have put things on such as flight instruments and there were new overhead bins put in earlier on.

The position is that in 1996, Cayman Airways brought 118,273 visitors to the island, together with 12,000 residents, making a total of about 130,000 people

Cayman Airways brought to the island. Cayman Airways carried 25,000 passengers to and from Cayman Brac. That is a significant amount. We do our part, and I think we continue to bring one of the largest amounts of visitors to the islands which helps the islands generally through tourism.

The importance of Cayman Airways, while I know this is subject to debate from time to time, can be perhaps best seen when we look at yesterday's newspaper where Bermuda has . . . as it says here: “Major hotels continue to lose money.” And sizeable sums of money, Mr. Speaker.

The position in Cayman, as we saw when American Airlines went on strike, would be very critical without Cayman Airways. It is undoubtedly an asset to Cayman and the amounts paid to subsidise it are very minimal when compared to amounts spent in other areas, whether it is building roads, buildings, or paying out in other areas.

I remember very clearly that when the strike of American Airlines was coming on, we got a call from Turks and Caicos. They would not have had any flights coming into Turks and Caicos at that time because American was the sole airline and it brought back very clearly the importance of Cayman Airways as the national flag carrier, one that not only employs a large number of Caymanians but keeps a very large amount of money within the Cayman Islands that would be paid out overseas if Cayman Airways was not here. But it gives us the security and continuity that we know Cayman Airways will be there, whether it is to take people out in a hurricane, or a disaster period. We can rely on the stability that comes from owning our own airline.

The accounts therefore will show that there has been some repayment (a lot on interest, I should say) on the loans, and that at 31st December, 1996, the bank overdraft stood at \$1.5 million. The loan with Royal Bank stood at \$2.3 million which is way down from the \$6.418 million of earlier times.

I should say that I would like to commend the Chairman and the Board of Cayman Airways and its Managing Director, its General Manager and staff. We have very dedicated staff. They work hard and are very proud of the airline as I believe all Caymanians are. I would ask Honourable Members of this House to continue to support Cayman Airways and to look at it as an investment in the stability of the country and the future of the Cayman Islands.

The Speaker: Item number 3, Statement by Members/Ministers of Government. The Honourable Third Official Member responsible for Finance and Economic Development.

STATEMENTS BY MEMBERS/MINISTERS OF THE GOVERNMENT

MEDIUM TERM FINANCIAL STRATEGY

Hon. George A. McCarthy: It is unfortunate that I find it necessary to advise Members of this House that the Medium Term Financial Strategy will not be tabled during this meeting despite the assurances given by myself on behalf of the Government that this would be done.

The primary reason for having to delay the tabling of this document until the first meeting of 1998 is essentially due to the fact that the Government gave an undertaking to prioritise the capital projects as set out in the 1998 Estimates to ensure that the full funding of those projects as prioritised will be met from the approved funding level for 1998.

Also, based on the undertaking given to prioritise the capital projects over the medium term, it has also become necessary to use the intervening time period between the conclusion of this current meeting and the commencement of the first meeting in 1998 to formulate the Public Sector Investment Programme which will specify the capital projects to be undertaken during 1998 and through the year 2000.

The present document in its draft form, if tabled, would have provided an historical picture of the Government's financial position over the past several years as a basis for looking forward to the year 2000. Amounts for capital projects beyond 1998 were given as global sums to be allocated to projects agreed upon annually over this period. It was then stated that the projects for which these sums would be allocated would be set out in the Public Sector Investment Programme which would be tabled in March 1998.

In view of the issues raised during this meeting, the view has been taken by the Government that both the Medium Term Financial Strategy and the Public Sector Investment Programme should be tabled simultaneously as a basis to demonstrating the Government's commitment to the process of prioritisation and to clearly set out as accurately as possible the Government's financial position over the next three years taking into account the impact projects as set out in the Public Sector Investment Programme are likely to have on Government's finances.

The Speaker: At this time we will suspend for the luncheon break and resume at 2.30 PM.

PROCEEDINGS SUSPENDED AT 12.54 PM

PROCEEDINGS RESUMED AT 3.32 PM

APOLOGY

The Speaker: Please be seated. Proceedings are resumed. I have apologies from the Third Elected Member for George Town.

Government Business, Bills. Continuation of debate on the National Pensions (Suspension) Bill, 1997. The Fourth Elected Member for George Town continuing.

GOVERNMENT BUSINESS

BILLS

SECOND READINGS

THE NATIONAL PENSIONS (SUSPENSION) BILL, 1997

(Continuation of debate thereon)

Dr. Frank McField: Mr. Speaker, before I continue with my contribution to the debate regarding the National Pensions (Suspension) Bill, 1997, I would like to take this opportunity to wish all my constituents and all the people in this Island a very merry Christmas and a prosperous New Year. I am thankful for the privilege of serving in this House and, as I began, I have tried to understand and have some sympathy for the position of the National Team. I may be right or I may be wrong, but the National Pensions (Suspension) Bill, 1997, is but another attempt by the remaining Members of the National Team to derail the social development of this country.

The remaining parts of the National Team lack a head, therefore a conscience. This is evident to anyone who considers the importance of a national pension scheme for the Cayman Islands. To have the pension scheme and the Health Insurance Law take effect almost simultaneously (one on the first of June, and the other in July) goes to show the lack of sensitivity regarding the way the National Team Government plans for the people of these Islands. There is a lack of foresight, a lack of vision. It is the social and economic consequences of such ways of legislating that I take into account when I ask Government to reconsider its position with regard to suspension at this very late date, and to go ahead and bring into effect as of January first, 1998, the mandatory contributions that must be made by employers and employees to a pension plan for the people of these Islands.

We cannot treat lightly the importance of a retirement plan, especially as I mentioned some time ago in the first part of my contribution, that it is not easy for anyone to stand up and say that a pension plan is a solution in itself to the types of problems that arise in a society where a person's reward is based upon their contributions in the workplace. In other words, what we contribute and what we get back as a reward for our contribution are directly related to work.

If in the workplace it is not considered to the advantage of industry and to the advantage of the individuals who work in these industries to continue to work after a certain age, then it is necessary for us to consider ways of allowing these people to continue to be fruitful and happy individuals by allowing them to have the funds which are necessary to participate in a consumer society where we are all dependant upon one another for what we need. So money is necessary. And if there are no savings during the period when people are productive,

then there will be no way those persons will have the ability to participate in the society later on, because their participation has to be based upon their ability to spend.

No one in their right mind would debate that pensions are not important or necessary, even in our country where we have small businesses, and small business people who say that they would prefer the Pensions Law to be suspended to give them additional time because they do not know how they are going to make it, by making these contributions to working people in the first place. But I think it is important for small business people to understand that this is a part of the cost of doing business, and it will be necessary for them to take time to adjust their way of doing business so that it can accommodate the needs we see as necessary for working people in the future.

The *Caymanian Compass* of Thursday, the 18th of December, said that **“everyone should have been prepared for the Law to go into effect on January first, but it appears that hardly anyone was quite ready.”** It is my position that nobody will ever be ready for this Law until this Law comes into effect and people then realise the serious nature, that Government is serious. Because Government realises there is no way around a mandatory pension policy for these Islands. There is no way around this. People might say, *‘Well, let me save my own money. I have invested my money in a few apartments, and that will take me over to when I get older. I have my investment.’* But what about those persons who are not planning? What about those people who do not plan for their golden years? And there are many of these people. We see this all over the world. Although the Pensions Plan is not the perfect plan, it is the best plan that any developed society can come up with to see that persons, when they become elderly, can still participate in the joys and blessings of a developed society.

Therefore I support the Plan, I have always supported the Plan, and I supported the National Team’s position with regard to this particular Plan, because it is important, especially in an Island that is beginning to develop, that has the prosperity at the moment, to be able to adjust to begin to save some money for that so-called rainy day. And it is important when we hear people talking about Government spending, how we know our population is interested in seeing that Government puts aside some money for a rainy day, so I think it is not out of order to believe that, as certain persons in the area of pension insurance have said, the country had psychologically adjusted itself to the acceptance of pension as a necessity. Then why disrupt that at this time? Why take a chance with this at this time? Why doesn’t Government be flexible, because Government is only a few, but the people are many. It is much easier for a few people to adjust their positions than for the whole country to be put in a position of having to adjust theirs.

I do not believe we are being kind. I do not believe we are being thoughtful. I do not believe we are being intelligent when we say we will postpone the Pension Plan and bring it into effect the first of June, 1998. And this is the point. I think it is important for people in this

country to realise that this is what I said. The Fourth Elected Member for George Town goes on record as saying that there is no way that the National Team Government can bring in the Pensions Law on the first of June, 1998, and then the Health Insurance Law slightly afterwards. There is no way they will be capable of deducting from working people’s wages these two deductions during that particular period of time. The blow to the pockets of the people will be so traumatic, that it will mean the beginning of the end for that particular Government. If that Government insists upon killing its possibility to govern this country, to represent this country, to do what is good for this country, then it should do it in a much more quiet way. It should not use the public. It should not get the public involved with its disjointed character, its lack of leadership, its inability to show social conscience and sensitivity. If that is what the National Team wants, if they want to become defunct, it should not involve the Cayman Islands people in that whole process.

Mr. Roy Bodden: Good choice of word. Good description—“defunct.”

Dr. Frank McField: It is quite obvious that anyone who believes they can bring in a national pension scheme and a health insurance scheme within that close period is very defunct in terms of their ability to think.

It appears we have a new Minister responsible for this Portfolio. The pension plan was a part of the National Team’s manifesto, and I do not recall reading that that Minister was a Member of the National Team, so the problem we might have here is that we have different positions being represented through the auspices of one political party, which does not seem to function that way any more. It is quite possible for us to believe that not all Members of the National Team Government are convinced that these two things can happen at the same time, or should happen at the same time, because they are going to happen to people. It is the people who are going to feel the effects of these two schemes coming into effect.

We can jump up in here and talk about how wrong the Fourth Elected Member for George Town is, how his speeches are exaggerated and not really valid to what we are talking about. But I am the sociologist. I am the one who is supposed to have the greater understanding (when we come to degrees anyway) of human behaviour. I would bet my Ph.D. that if they bring in those two pieces of legislation in 1998 that close together, they will probably not even last as a Government through the year 1998. The people will say, *‘They have no sense of direction, they have no vision, they have no sensitivity. They legislate according to what they feel is right, and not because of how the people will feel as a result of this legislation.’*

Pensions—I do not have to say that again—are absolutely necessary. We know it will affect certain businesses in the beginning adversely, but it is necessary. We know it should not be postponed at this time because it will only serve to confuse the general public—not just employers, but employees, some of those employees

who do not necessarily even listen to the debates or read newspapers.

It took a long time for the National Team Government to convince the working people and employers in this country that pensions would be of benefit to them. Now why does the National Team Government put this entire exercise at risk by asking that it be suspended and come into effect, rather than on the first of January, 1998, on the first of June, 1998? I say the reason for this is that there is a secret attempt to derail the social policies that were put in place by the past Minister, policies I have gone down as saying on the eve of my election that I would continue to support as long as that Minister supported those programmes.

This is just the beginning of the end of that belief, that a social conscience is a necessity for this country. This is the beginning of the end, because we are seeing the technocrats', bureaucrats', and legalists' minds beginning to take over, and we are going to believe somehow that we run our country not by feeling but by laws. But laws emanate from feelings, feelings do not emanate from laws.

I would like to continue to say that this is an error, and if the National Team Government would pardon the way I have debated this Law—pay no attention to the way I have debated the Law, but pay attention to the logic I have used in debating this Law—then they would say, *'That man speaks with some knowledge. That man speaks from an informative position, therefore it would not be convenient for us at this time to dismiss all he has said as absolute rubbish and nonsense, because he is a sociologist. He is supposed to have some knowledge of what human reactions, human behaviour would be with regard to certain things.'*

I think my election campaign is proof that I am a planner. I did say that when I was the one with the television the night before the election. Although we had a lot of organisations, I said I had that position, that advantage, because I thought I could foresee these things. Just like I said about the pre-schools in 1978 that are being supported in 1997; just like I said about the crime problem, I am going to say about this particular problem—it is being dealt with very poorly. It is being dealt with in a way that does not show that we have the best interest of the people at heart. We know that some people will not immediately realise the benefits of a pension savings scheme, but ultimately they will realise the tremendous benefits. I believe that working people have a right to be assisted by employers in saving money for their golden years, because they contribute more to industry than they usually take out by way of wages.

We cannot derail this Pension Plan. Again it is being said that it is being derailed. Although the Minister will get up and say this is absolute nonsense, that it is not true, my question is, why is this Plan being put into effect so close to the Health Insurance Plan? Once the Minister can assure me that this can work, I have no problems. But I doubt this will be possible because this will be total speculation on the part of the Minister, who is obviously not a sociologist.

Since I have had the opportunity to know that there are some negotiations going on, we are asking again that at least at the Committee stage, certain amendments be made that make it unnecessary for Government to try to carry out this exercise at this time. Government came with this Bill. It is Christmas time, knowing it is very late to bring a suspension in any case, not being guaranteed any passage of this Bill, unless they assume, of course, that we have a bunch of broomsticks in here, which we do not. So there is a risk in continuing to debate, because it is not one way or the other. It is a very late date. Things could happen. How do the people become informed that this is going to be or not be the case? That is a very risky position to have taken in the first place.

I shall close my debate, because I know that although I might have gained a few friends outside these halls, a lot of people are beginning to ask, *'How did I get here in the first place, since I talk so long about all the things I pretend to know about?'* But there are people in here who have been here twenty years, and I ask myself, *'How have they come to be here so long, talking too, while I was not allowed to talk?'* So the fact that I begin to talk now is no insult. It is not meant as an insult to anyone, it is just meant to explore a new way of looking at things. I think this country desperately needs a new vision. This country needs a new angle. This country needs a new perspective, a human perspective, and that is the perspective I have brought to the House over the last year. That has been demonstrated time and time again in my debate. I am always asking, *'What will happen to the people? How will the people be affected?'* Not the law, but the people. That is what is important. So I am asking again that when we come to Committee we seriously consider the disarray this will cause our country, and the negative effects it will have on the National Team Government which came into power in this country so positively in 1992, and which has done such a good job, at least up until very recently. Thank you, Mr. Speaker.

The Speaker: Does any other Member wish to speak? The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr.: Thank you, Mr. Speaker. I rise to offer my contribution to the call to suspend the National Pensions Bill. Pensions is a subject that has been talked about in this country for a very long time. I recall that in my first session after being elected in 1988, we had an advisor come down to give us a presentation on the possibility of a pension plan, social security scheme, or whatever else you want to term it. Over a period of eight, nine years, we have been able to get to a stage where at least we had a Pensions Bill passed, and we were looking forward with effect on the first of January to finally see it become a reality, that we have pensions in this country.

From listening to the presentation of the former Minister for Community Development, and also having a look at the proposed amendments to the Law and Regulations, it came to light that what was established was a National Pensions Advisory Committee, which consisted

of a wide cross-section of professionals in the community. I am aware that the Law was drafted, circulated, amended, re-drafted, circulated, amended, and I believe we have reached the stage where there is not much more that can be done to this piece of legislation. One of the issues mentioned that makes this delay necessary is the appointment of the Superintendent of Pensions. But I was talking to the Secretary of the National Pensions Advisory Board, Mr. Mario Ebanks, and he mentioned to me that the position was advertised at SS3, I think it was, which is a reasonable salary. He applied for it, and because he applied for it, it was withdrawn and re-advertised at SS1, which meant that this young, qualified Caymanian no longer had any interest in applying for the job.

We just had a team that went all the way to the UK for the purpose of recruiting a person to fill this post, and I would daresay that whenever that Englishman is brought in, he or she is not going to be brought in at any SS1 scale. The same gentleman, in order to accommodate the Law coming into effect the first of January, actually offered to act, because he was one of the key persons responsible for spearheading this effort. He even offered to act as Pensions Superintendent until someone could be found, if they were not comfortable with him on a permanent basis, and this was also refused.

It leaves me to wonder if we have any interest in seeing positions that can be filled by a Caymanian, filled in this country. We can boast of full employment or over-employment. We can boast of economic activity. But I am interested in seeing that those positions that become available that a Caymanian is interested in applying for, actually have an opportunity to serve in that capacity.

The Law also calls for the establishment of the National Pensions Board. This will consist of a Chairman, a Deputy Chairman, not less than five additional members and no more than nine. It would not take long to put this Board in place. We have a lot of professionals. One of the things I am proud about in the Cayman Islands community is that we have people who are prepared, professionals, that is, who are prepared to volunteer their time for such positions on such prestigious boards.

I took time out on a personal basis to review the proposed revisions or amendments to the Law, and as I read the piece of legislation—and I am no lawyer, and I have never touted to be, but I have some experience and I do have a degree in Business Administration—every question I had in my mind as I read through the document was answered. I do not believe you can find a perfect piece of legislation. You can put it in place, as you work through it, certain weaknesses come to mind, and then you bring forth whatever additional amendments are necessary.

In addition to this Law, were three sets of Regulations that were drafted to accompany this Law. As I was told, the first two sets were done locally, and the more technical one, the one dealing with actuarial valuations and that type of thing, professionals were contracted from the outside to put together those regulations. I think everyone involved has done a good job, and I believe we need to at least give the Law a chance to come into ef-

fect, and at that stage we will be in a much better position to anticipate whatever difficulties may arise as a result of that.

I for one would prefer if—and I am no lawyer, again I must say—some way the grace period can be extended with regard to having to register a pension, and to start signing up employees to be a part of the Plan. I am aware that the First Elected Member for West Bay, who was your former Minister in charge of pensions, spoke to the Second Official Member, the Attorney General, as to how this could be made possible. I am aware of the amendments being proposed that would do exactly what we are proposing, that is, extend the grace period without bringing into force the penalties that go along with not complying with the Law.

With your permission, Mr. Speaker, I would like to refer to the two amendments being proposed to make this possible. It says here that there will be a new Clause 3, amendment to section 4(1) of the principal Law, **“to provide that the effective date of the employers having to provide a pension plan or make contributions to a pension plan be the first of January 1998.”** This is the amendment being proposed by the First Elected Member for West Bay. The second amendment would be a new Clause 4, amendment of section 6(2) of the principal Law, **“to provide that the 180 days be deleted and 330 days substituted therefor.”** The effect of that, as I interpret it, would be for us to extend the grace period for another six months. I think it would be to the first of June, 1998.

The concern I also share is that we have the National Health Insurance Bill that is supposed to come into effect on the first of July, 1998. These are two major pieces of legislation that are going to add some cost to doing business here in the Cayman Islands. It would be better if they can be staged, that is not to come into effect so close together.

I trust that every effort will be made to work with employers, providers and employees to assist with a smooth implementation of this major Plan. It is something that the people of this country have come to accept, that is the idea that when you get to a certain age, you look forward to having something to fall back on by way of savings. This is the whole objective of this Plan, that people over a period of years, when they are productive, be disciplined enough or forced into saving some money so that at a later date, when they do reach retirement age, they have funds from which they can live and maintain a certain lifestyle and a certain degree of independence.

I want to congratulate the former Minister and the Advisory Committee on the Pension Plan, and I would support any amendments that would extend the grace period, rather than calling for the suspension of the Bill. I know what that means from experience. When something is off the books, it is very difficult at some stage, especially a piece of legislation of this nature, to get it back on the rails. So those are my thoughts on this very important matter. Thank you, Sir.

The Speaker: Does any other Member wish to speak? If no other Member wishes to speak, does the Honourable Minister for Community Affairs, Sports, Women, Youth and Culture wish to reply?

Hon. Julianna O'Connor-Connolly: Thank you, Mr. Speaker. I have listened quite attentively to the various Honourable Members, and have closely observed the many silent messages which have sprinkled the deliveries to this Honourable House, as it related to the Bill before us at this time. It is most unfortunate that some Members deemed it necessary to, in my view, use this Bill as a political football, or for political expediency.

The substantive Pensions Law is a very vital and essential piece of legislation in any visionary, democratic, caring society. I commend, Sir, the past Minister and all other Honourable Members who supported the Pensions Bill when he brought it to this House. I also congratulate the Third Elected Member for Bodden Town for changing his position with regard to the Pensions Law. That is, when the past Minister brought the Pensions Law, the Third Elected Member for Bodden Town abstained. So it is refreshing to see that as a visionary representative, he has opted to change his mind.

There have been general queries as to why the Regulations cannot be brought together with amendments. This same point seems to have raised its head at least once before, because—permit me, if you will, to refer to page 545 of the 1996 *Hansard*, which reads as follows: (this was the past Minister, in his response when the Bill was brought at that time). **“I also thank the Member from North Side for her contribution and support.”** He went on to say, **“I also thank her for the part which she played on the Advisory Committee, and for also bringing the Committee’s perspective to the debate as to why it was not possible to have the Regulations presented at the same time with the Bill.”** Mr. Speaker, that position has not changed, and I am thankful that I was able to find that bit of information, to see that this Minister was able to concur with what was put forward at that time, which I trust too has not changed, now that we are dealing with the Suspension Bill.

I could not concur more with that position, and I am sure, for Members who still have a problem with understanding why the Regulations cannot be brought at the time of the Bill, the Honourable Attorney General, the Speaker, or the Deputy Speaker, or anyone in the Honourable Chamber who fully understands it will be more than happy to explain it.

The Third Elected Member for Bodden Town also queried whether the Government had the political will with respect to the Pensions Law. The Government, as far as I am concerned, has the political will; and God willing, the requisite legislation shall be brought at the very next sitting of this Honourable House, which, as I understand it, is late in February of 1998, just another eight weeks or so, Sir. At that time, once that is brought, the Regulations will follow as soon as practicable thereafter, with the actual commencement date of June first, 1998.

Those of us who have taken the time to properly read and comprehend the Pensions Law, cannot but agree that this very complex piece of legislation, with the very grave criminal sanctions for contravention thereof, is not one such Bill for it to be changed into a political football. I am fully cognisant, Sir, that no law is perfect, and from time to time, there will inevitably be amendments. I am not against this general principle. But can we really say that our amendments are fine-tuning the Law, when the Law has not yet become operative, and there are so many amendments already made to it?

I stand to be corrected, but from my looking at it, there are some seventy-eight amendments to thirty-one sections, and there are another fifty-six amendments to the draft amendments. This, in my respectful submission, puts the substantive Law in a position of minority, yet I am asked to accept the position that they are minor amendments.

Had I been in my college logic class, and was presented with this set of circumstances, I could not help but conclude by way of deductive reasoning that there must have been an element of rush and haste, which only can further complicate this situation. Coupled with the fact that the important regulatory regime is not in place at the time, I am still of the persuasion that the only reasonable course is to ask for the suspension, with the amendment which I propose to move at Committee stage.

It was never my intention, nor is it my intention now, to blame anyone. But if the amendments to the Law and to the amendments attached thereto were in place, if the office of the Superintendent, and indeed the Superintendent and his auxiliary staff were in place, and if the numerous draft Regulations were approved by Executive Council, it would certainly have made it more practicable and reasonable to expect that the legislation be dealt with expeditiously during the present sitting.

When I first took over the Ministry a few short weeks ago, I was informed that the only Member of staff who was familiar with the Pensions Law was Mr. Mario Ebanks, who by the way, was on vacation for the first week or week and a half of my tenure in the Ministry. Shortly upon his return, he tendered his resignation, and the end of this month is to be his last time in the office. In addition, Government had other national priorities, as mentioned in my introductory deliberation, including the First Cayman Bank issues, the 1998 Budget, and the change of membership in Executive Council.

The Fourth Elected Member for George Town queried why the civil servants were not relied on more, as they can ensure continuity. I fully agree with that Member. That is exactly what I have been doing, and I would like at this time to thank Mr. Mario Ebanks for preparing the Ministry’s paper to Executive Council for the suspension of the Pensions Law, and for his assistance in preparing my draft presentation to this Honourable House which the Hansards will duly record.

The Third Elected Member for Bodden Town queried why the Minister’s Permanent Secretary went to the UK to interview. I am sure that Honourable Member, having been here a much longer time than myself, is fully cogni-

sant that the Ministers (and particularly this Minister) do not have administrative responsibility. Our Constitution does not allow for it. I did not participate in the decision of who would be short-listed for the interview, nor did I make the decision about who would travel abroad for the interview, nor was I in any way involved with the ultimate decision as to who would get the post. I do not even know who applied for the post when it was advertised. As I said, under our Constitution, all Honourable Members would recognise that these matters are purely administrative, and therefore fall within the ambit of the Personnel Department, and not me as Minister.

As mentioned, Mr. Mario [Ebanks], a Caymanian, will be leaving the Ministry shortly, and I am sure that the Fourth Elected Member for George Town, as well as the past Minister, knows perhaps better than most other Honourable Members in this Parliament why we are losing the Caymanian, Mr. Mario Ebanks. Enough said on that matter, Mr. Speaker.

The Third Elected Member for Bodden Town questioned Government's motive for the delay. First, let me state categorically that Executive Council never brought the Bill to me. I brought the Bill before the House to Executive Council, and there is a vast difference. Let me also hasten to say that no Member of Executive Council, be it elected or official, even approached me about delaying the Pensions Bill, so it is absolute rubbish to say that another Ministry or Minister influenced or otherwise requested this delay.

I put forward this proposal, which was, in my respectful opinion, backed with legitimate and valid reasons, and Executive Council subsequently approved it. I have no apologies to make, because until I am persuaded otherwise, I am still of the humble view that it is in the best interests of our country on the whole to have this short but very necessary delay.

The general debate has dealt mainly with the merits or demerits of the Pensions Law. I am fully aware of the merits of the Pensions Law, and I fully support the concept of pensions, and congratulate the past Minister for his foresight in bringing this legislation. But it would be an injustice to our people to let the provisions of the Pensions Law come into force on January first with no regulatory body in place.

The Superintendent of Pensions, in particular, is of paramount consideration to the *modus operandi* of this Pensions legislation, and the lateness of the 1997 Budget was given as one of the reasons by the past Minister as to why the delay prior to my taking the office. I can accept that, because the 1998 Budget was even more sensitive, and time-consuming, not to mention unpredictable. Therefore it is my conviction that that reason is a legitimate, justifiable reason as put forward in my opening remarks.

Permit me now to please refer to the editorial of the 18th of this month, and I will provide a synopsis as follows: **"The introduction of the National Pensions Law has taken so long that one might be tempted to wonder if it will ever become reality. Under the circumstances, however, Government did the right**

thing by delaying its coming into force. Everyone should have been prepared for the Law to go into effect on 1st January, but it appears that hardly anyone was quite ready. To allow the Law to come into effect by 1st January would have been pointless, because two weeks before the Law was to become operational, Government itself had not completed a number of necessary steps. One may wonder, How could this happen? But at this late stage, there was no real choice but to delay the coming into operation of the Law. No one should take the suspension as an excuse for putting the matter off again."

Mr. Speaker, section 78 of the Pensions Law establishes the Superintendent of Pensions, who by virtue of section 78(3) is the chief administrative officer to the Pensions Board, none of which are presently in place. In light of the extenuating circumstances as outlined in my contribution, to allow the Pensions Law to commence on the first of January 1998 without a Superintendent in place, or the remaining regulatory regime, would be, in my view, like filling a commercial aircraft with its paying passengers, with no pilot on board to ensure their safety, protection, and most importantly, to endeavour to take them safely to their desired destination.

If the Pensions Law were brought into force on the first of January 1998, with the Superintendent of Pensions not in place, who then will carry out his powers, duties and responsibilities under this Law? Certainly, my Ministry is not prepared, nor are we empowered to carry out the statutory duties, and indeed none of the other Ministries is prepared to do likewise. Who will ensure that the pension plans are up to par and in accordance with the Law? Who will ensure when there is a contravention of the Pensions Law? Who will ensure that the enforcement sections of the Pensions Law are pursued accordingly? Section 6(1) of the Pensions Law prohibits the administration of unregistered pension plans. The pension plan has to be registered by the Superintendent of Pensions. There is a statutory proviso to this section which allows at present 180 days, which grace period expires on the 31st of December this year. The Pensions Law, by virtue of section 85, gives a statutory legal right to extend the time limit under this Law, or the Regulations, except as a time limit which is stipulated under section 91(4). Had there been in place a Superintendent of Pensions, to whom this right is given, perhaps it might have been a better, more positive alternative, than that which we face today as the Government.

Further, the Pensions Law, merely by virtue of section 82, protects the members and employees of the Board, and the Superintendent of Pensions by way of restricting personal liability. But this protection of personal liability does not extend to me, nor does it extend to the members of staff in my Ministry. Without the Superintendent of Pensions in place, the only safe, reasonable and practical course is to suspend the Law as is proposed before this Honourable floor.

The delays with the regulatory regime being put in place were stated purely as a matter of fact, and not as a

matter of political back-and-forth. I am not in this Honourable House for those types of games.

The Caymanian civil servant, Mr. Mario Ebanks, who was the civil servant responsible for this issue in the Ministry, formulated the reasons (as I gave him the chore to do) quite adequately, and it surprises me now that a Member or two can come to this Honourable floor and give other reasons emanating from that same civil servant.

Needless to say, let me move on. The Fourth Elected Member for George Town inferred that the terminology in the Bill, that is, the word 'suspension', connotes that the Pensions Law is being done away with. Let it be known to all: My Ministry is committed to seeing the Pensions Law come into operation, and suspension does not connote termination, dismissal or aborting. It means simply that—a mere suspension. And as Members will have seen from the amendment which we propose to move at Committee stage, a date has been specified.

Mention was also made of section 5(1) of the Pensions Law which states that "**Nothing in this Law shall be construed to prevent the registration under this Law of any pension plan that provides pension benefits and ancillary benefits which are more advantageous to its members than those specified under this Law.**" By the same token, Mr. Speaker, what is there to prevent those pension plans, which on the face of it, appear to be advantageous, from reducing these benefits to the minimum as set down in the Pensions Law? It is not surprising that one or two of the providers of pensions are apparently lobbying Honourable Members to allow the Law to come into force by way of contributions or otherwise on the first of January 1998, and I would certainly like to have been able to see this happen myself. But they are not the only considerations. Indeed, Government also has to consider, and has considered, our duty to protect the contributors to the pension plan, and the appointment of a Superintendent of Pensions, in particular, and in addition, the Pension Board, will go a long way in this regard.

We do not believe that extending the period of registration of the pensions is the most appropriate way of dealing with this matter. I am sure there are no Honourable Members in this House who would want the Pensions Law to kick in on January first, and if anyone failed to have a pension plan, they would have to contribute unless they would face criminal sanctions and could face a fine up to \$10,000, and indictment, that is in the case of an employer.

This would almost be inhumane, for charging persons come January first, for not contributing to the pension plan, straight after Christmas, when the majority of persons in the Cayman Islands experience money shortages, after having weathered the Christmas spending spree, to be asked or forced to contribute, when Government itself is not prepared by not having the Superintendent of Pensions.

The Speaker: May I interrupt you for a moment?

Hon. Julianna O'Connor-Connolly: Yes, Sir.

The Speaker: We have reached the hour of 4.30. Is it the intention that you will be finishing shortly? Would you care to suspend Standing Orders so that we may continue?

SUSPENSION OF STANDING ORDER 10(2)

Hon. Truman M. Bodden: Mr. Speaker, I understood yesterday the view of the House was that we would go on today until we finished. I would therefore suspend for the finishing of the business.

The Speaker: Do you have a time limit, or until the business on the Order Paper is finished?

Hon. Truman M. Bodden: Mr. Speaker, what was agreed yesterday which you are also aware was that we would go on until we finished. Hopefully that will be sometime within a reasonable time.

The Speaker: The question is that the House continue until the business on the Order Paper is finished. Those in favour, please say Aye. Those against, No.

AYES and NOES.

The Speaker: It appears to me that the Ayes have it.

Mr. Roy Bodden: Mr. Speaker, can we have a division?

The Speaker: Certainly. Madam Clerk, will you call a division, please?

The Deputy Clerk:

DIVISION 24/97

(Suspension of S.O. 10(2))

AYES: 11

Hon. James Ryan
Hon. Richard Coles
Hon. George McCarthy
Hon. Julianna O'Connor-Connolly
Hon. Thomas Jefferson
Hon. John McLean
Hon. Truman Bodden
Hon. Anthony Eden
Mr. McKeeva Bush *
Mr. John Jefferson Jr.
Miss Heather Bodden

NOES: 5

Mr. Kurt Tibbetts
Dr. Frank McField
Mr. Roy Bodden
Mrs. Edna Moyle

***Mr. McKeeva Bush:** Mr. Speaker, I have to leave at 7 o'clock for an engagement, so I will be staying until then.

ABSENT: 2

Mr. Dalmain Ebanks
Mr. Linford Pierson

The Speaker: The results of the division: eleven Ayes, five Noes. The Ayes have it.

AGREED BY MAJORITY: STANDING ORDER 10(2) SUSPENDED.

The Speaker: Debate continues. The Honourable Minister for Community Affairs.

Hon. Julianna O'Connor-Connolly: Thank you, Mr. Speaker. I love the people of the Cayman Islands too much to put them in any jeopardy. If were to allow the contributions to commence and to be mandatory come first of January 1998, and the registration to be delayed to June first, as was proposed by at least two Members thus far, what will happen? If the pension plan went bust during this time between January first and June first, who will bear this liability? Could anyone really expect the Government to place itself in such a position, to attract any other liability, if it allowed the Pension Plan to be duly administered on an *ad hoc* basis, without any regulatory body in place?

I have sat here day after day, and have heard many Honourable Members strongly criticise, and at times chastise, the Government for not having the necessary legislation in place to protect the depositors of First Cayman Bank, and what they term lack of independence of the Monetary Authority. But at least with the First Cayman Bank situation, there was a Director of the Monetary Authority in place, and there was a Board in place. Can you then imagine what criticism, and rightly so, perhaps, I and the entire Government would be exposed to if we were to allow the Pensions Law to kick in on first January without any regulatory body in place?

The Superintendent of Pensions and its Board are the checks and balances implemented—Mr. Speaker, if my memory serves me right, I sat here a few days ago and heard the Honourable Fourth Elected Member for George Town reprimand Members of the Government Bench for not having the manners, while he was talking. May I have the same courtesy, Sir?

Mr. Speaker, it is my respectful submission that the Superintendent of Pensions and its auxiliary Board are a very fundamental and necessary infrastructure for the smooth operation of the Pensions Law. As an attorney, which seems to be an attack these days as far as a profession is concerned, it would be remiss of me—it would almost be a criminal offence—if I came to this Honourable House and allowed my people to be put into jeopardy because of politics. I will not do so, Mr. Speaker.

I may be relatively young, but I surely was not born yesterday. I trust, therefore, that all Honourable Members will support this Bill, as I believe it is the only reasonable and practical course that any sensible Government could take at this time, against the background I have tried my best to outline.

Before taking my seat, Mr. Speaker, may I also be permitted to take this opportunity to wish my constituents and the entire Cayman Islands a very merry and blessed

Christmas, and may God continue to bless these Cayman Islands. Thank you, Sir.

The Speaker: The question is that a Bill entitled The Pensions (Suspension) Bill, 1997 be given a Second Reading. Those in favour, please say Aye. Those against, No.

AYES and NOES.

The Speaker: The Ayes have it.

Mr. Roy Bodden: Mr. Speaker, can we have a division, please, Sir?

The Speaker: Certainly.

The Deputy Clerk:

DIVISION 25/97

(Second Reading National Pensions (Suspension) Bill, 1997)

AYES: 9

Hon. James Ryan
Hon. Richard Coles
Hon. George McCarthy
Hon. J. O'Connor-Connolly
Hon. Thomas Jefferson
Hon. John McLean
Hon. Truman Bodden
Hon. Anthony Eden
Miss Heather Bodden

NOES: 5

Mr. McKeever Bush
Mr. John Jefferson
Mr. Kurt Tibbetts
Dr. Frank McField
Mr. Roy Bodden

ABSENT: 3

Mr. Dalmain Ebanks
Mr. Linford Pierson
Mrs. Edna Moyle

The Speaker: The results of the division: nine Ayes, five Noes. The Ayes have it. The Bill has been given a Second Reading.

AGREED BY MAJORITY: NATIONAL PENSIONS (SUSPENSION) BILL, 1997 GIVEN A SECOND READING.

The Speaker: Second Readings continuing.

THE [DEVELOPMENT AND] PLANNING (AMENDMENT) (ADVERTISEMENT CONTROL) BILL, 1997

The Deputy Clerk: The [Development and] Planning (Amendment) (Advertisement Control) Bill, 1997.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Thank you, Mr. Speaker. I move the Second Reading of a Bill entitled, The [Devel-

opment and] Planning (Amendment) (Advertisement Control) Bill, 1997.

The Speaker: The Bill has been given a Second Reading. Do you wish to speak to it?

Hon. Truman M. Bodden: Yes, Mr. Speaker, very briefly. This is a very short Bill, comprising only three paragraphs, and it is one which will deal with the controlling by the Central Planning Authority the display of advertisements or signs. It had been circulated as a white paper to all Members, and one of the sections has been amended to include the request made by some Members, which increased the period to five days for date of service of the notice, and also the fifteen days was added in at the end of that section.

It is important that there be some control in relation to signs and advertisements, and this is something that will be dealt with by the Planning Authority. I would ask all Members to please support this short Bill.

The Speaker: The question is that a Bill entitled The [Development and] Planning (Amendment) (Advertising Control) Bill, 1997 be given a Second Reading. It is now open to debate. Does any Member wish to speak? If no Member wishes to speak, would the Mover wish to add a reply?

Hon. Truman M. Bodden: Just to say thank you very much to all Members, Sir.

The Speaker: The House will now go into Committee to consider . . .

Mr. W. McKeever Bush : Mr. Speaker, I think you need to put the vote on that. I am not certain we did.

The Speaker: The question is that a Bill entitled The [Development and] Planning (Amendment) (Advertising Control) Bill, 1997 be given a Second Reading. Those in favour, please say Aye. Those against, No.

AYES.

The Speaker: The Ayes have it.

AGREED: THE [DEVELOPMENT AND] PLANNING (AMENDMENT) (ADVERTISING CONTROL) BILL, 1997 GIVEN A SECOND READING.

The Speaker: The House will now go into Committee to consider a Bill entitled The National Pensions (Suspension) Bill, 1997 and The [Development and] Planning (Amendment) (Advertising Control) Bill, 1997.

HOUSE IN COMMITTEE

COMMITTEE ON BILLS

The Chairman: The House is now in Committee. With the leave of the House, may I assume that as usual we should authorise the Second Official Member to correct minor printing errors and such like in these Bills? Would the Clerk state each Bill and read the Clauses?

THE NATIONAL PENSIONS (SUSPENSION) BILL, 1997

The Deputy Clerk: Clause 1. Short title.

The Chairman: The question is that Clause 1 do stand part of the Bill. If there is no debate I will put the question that Clause 1 do stand part of the Bill. Those in favour, please say Aye. Those against, No.

AYES.

The Chairman: The Ayes have it. Clause 1 do stand part of the Bill.

AGREED: CLAUSE 1 PASSED.

The Deputy Clerk: Clause 2: Operation of law suspended.

The Chairman: Do you have an amendment, Honourable Minister for Community Affairs?

Hon. Julianna O'Connor-Connolly: In accordance with the provision of Standing Order 52(1) and (2), I, the Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture, give notice to move the following amendment to a Bill for a Law to suspend the operation of the National Pensions Law, 1996; and for incidental and connected purposes:

"That clause 2 be amended by deleting the words 'at such time as the Governor-in-Council by order otherwise determines' and by substituting therefor the words *'first of June 1998.'*"

The Chairman: The Amendment has been moved. Does any Member wish to speak to it?

Mr. W. McKeever Bush : Mr. Chairman, just to enquire at what stage you intend to allow me to put forward the amendment which was circulated?

The Chairman: That is when we get to the clause.

The question is that the amendment to Clause 2 do stand part of the Bill. Those in favour, please say Aye. Those against, No.

AYES.

The Chairman: The Ayes have it.

AGREED: AMENDMENT TO CLAUSE 2 PASSED.

The Chairman: The question is that Clause 2 as amended do stand part of the Bill. Those in favour, please say Aye. Those against, No.

AYES.

The Chairman: The Ayes have it. Clause 2 as amended does stand part of the Bill.

AGREED: CLAUSE 2 AS AMENDED PASSED.

The Chairman: This is a new Clause, Clause 3. The First Elected Member for West Bay.

Mr. W. McKeeva Bush : Mr. Chairman, thanks very much. I had put forward a recommendation. I can hear from what the Minister said in her contribution in winding up that the Government is not minded to accept these amendments, although from what I heard her say I do not see where this could hurt. Nevertheless, they are still not minded to accept it. She has not said anything to convince me that what I had offered was not plausible and could not be done. Instead they are just rejecting it. Nevertheless, that is their prerogative.

In accordance with Standing Order 52, I, the First Elected Member for West Bay, seek to move that the National Pensions (Suspension) Bill, 1997, be amended by inserting two new clauses as follows: **“(1) the new clause 3, which is an amendment of section 4 of the principal Law, to provide that the effective date of the employers having to provide a pension plan or make contribution to a pension plan be the first day of January 1998;”** [and should I move the second one as well?]

Section 4(1) of the principal Law says: **“Every employer in the Cayman Islands shall provide a pension plan or make a contribution to a pension plan for every person employed by him in the Cayman Islands.”** This amendment would allow the first day of January to remain, as I said earlier. I do not think this would breach section 4(3).

I have circulated another amendment to Clause 4. Will you be taking the amendments separately?

The Chairman: In accordance with Standing Order 52(8), new Clause 3 is deemed to have been read a first time. The question is that it be read a second time. Those in favour, please say Aye. Those against, No.

AYES and NOES.

Hon. Thomas C. Jefferson: Mr. Chairman, we have not seen a copy of this latest amendment that the First Elected Member is referring to. Was it two amendments that got circulated?

(Discussion off microphone)

The Chairman: The Ayes have it.

Mr. W. McKeeva Bush : Thank you, Mr. Chairman.

Hon. Thomas C. Jefferson: Can we have a division, Sir?

The Chairman: Certainly.

The Deputy Clerk:

Division No. 26/97

(New Clause 3—National Pensions (Suspension) Bill, 1997)

AYES: 5

Mr. McKeeva Bush
Mr. John Jefferson
Mr. Kurt Tibbetts
Dr. Frank McField
Mr. Roy Bodden

NOES: 9

Hon. James M. Ryan
Hon. Richard H. Coles
Hon. George A. McCarthy
Hon. J O'Connor-
Connolly
Hon. Thomas C. Jefferson
Hon. John B. McLean
Hon. Truman Bodden
Hon. Anthony Eden
Miss Heather Bodden

ABSENT: 3

Mr. Dalmain Ebanks
Mr. Linford Pierson
Mrs. Edna Moyle

The Chairman: The results of the division: Five Ayes, nine Noes. The new clause is defeated by a majority.

NEW CLAUSE 3 DEFEATED BY MAJORITY.

The Chairman: New Clause 4: Would the Member read the Clause?

Mr. W. McKeeva Bush : Mr. Chairman, in accordance with the same Standing Order mentioned earlier, I seek to move new Clause 4, Amendment of section 6(2) of the principal Law, to provide that 180 days be deleted and 330 days substituted therefor. This will allow the registration to continue, and there would not be any penalties. Again, in the Minister's debate, she alluded to why she would not want people to suffer penalties right after Christmas. If that is so, and they are minded to give some time, then this amendment would not allow what the Minister said she was worried about. . . that is, this would suspend the penalties for 330 days, that is, effective June 1st, 1998.

The Deputy Clerk: New Clause 4, amendment of section 6(2) of the principal Law.

The Chairman: New Clause 4 is deemed to have been read a first time. The question is that the clause be read a second time. Is there any debate? The Minister for Community Affairs.

Hon. Julianna O'Connor-Connolly: Thank you. If I could respond quite briefly to the last contribution. I am sure that Members are fully cognisant that there is more than one penalty clause within the Law, and the suspension which we seek for this country does just that. It stays the sanctions until the regulatory body is in place, and that is the whole reason behind it. We are not in the position to support a situation whereby people are allowed to contribute to a pension plan without there being a proper overseer because of the inherent risk that creates. That is the sole reason behind asking for the short Suspension Bill.

Mr. W. McKeeva Bush : Mr. Chairman.

The Chairman: The First Elected Member for West Bay.

Mr. W. McKeeva Bush : I cannot agree with the Minister on that, because they well know that we have a general suspension. If they wanted to do that—they cannot use that as a credible excuse. If that were so they would not be worried about penalties in general, because of the general suspension of the Law. This suspends penalties for 330 days. Not one section, but we are dealing with the whole Law. This allows the Superintendent of Pensions (when he comes in) to register plans, and the new date is June 1st, 1998.

I am sorry, but I just do not agree with the Government Bench that what they are doing is the best way forward. I do believe that what I am offering, from what I know of the Law, works. And while there are legal minds on the other side, I did get legal advice on this also. From my knowledge of it, this can work. It will allow certain things to happen on one side, and allow Government to do what it claims needs to be done—that is, to get certain things in place. This would not put the public at risk while they are getting their work done. This removes any criminal sanction.

The Chairman: Is there any further debate?

Mr. Roy Bodden: Mr. Chairman.

The Chairman: The Third Elected Member for Bodden Town.

Mr. Roy Bodden: The proposal put forward by the First Elected Member for West Bay is a reasonable proposal in light of the circumstances which have been outlined. I think that the Government should not only give credence to, but should accept this amendment. It can only enhance the position in which the Government has placed the people by suspending this Bill. I respect the fact that the Mover has gone to great lengths, and indeed is motivated out of a sense of altruism in proposing this amendment. I also spoke to persons when the Mover intimated to me what he was prepared to do concerning the consistency and its effects, and have been assured by knowledgeable people that this amendment can bring

no detriment, but indeed will enhance and make easier the untenable position due to the suspension of this Bill.

The final point is that it would seem to me that out of a sense of honour and conscience, this amendment should be accepted. I am really astounded at the lack of flexibility and the lack of (how should I put it?) camaraderie. But such is the nature of the business. I implore the Government to consider the amendment moved by the Member with all good intention. It certainly has my support, as I see it enhancing the position.

The Chairman: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Chairman, the voluntary contributions that have been made to pension plans all along can continue with this suspension. Nothing changes there. Up until this stage, people who have been continuing with their pension plans voluntarily can go on. All this section has done is to allow contributions to be made during the period, if made voluntarily. That can go on. But Government has removed, by suspending the section, not only the penalties, but any liability for funds that may be administered wrongly where people ultimately lose money because the funds are not properly regulated and controlled. Throughout this Law there are multiple places where there are penalties. This is not the only penalty, that is in section 6.

While I understand what the Honourable Member is seeking to achieve with this section, and I am sure he has had legal advice throughout the time because this was drafted obviously by lawyers at some stage. It does not really achieve, however, what I think has been put forward; and it really is saying that voluntary contributions can go in to funds which are not registered. But it does not stop people from continuing to do what is happening with the suspension, because by putting in this number of days this clause is, in effect, suspended for the full length of time that the Law is suspended. So the effect of suspending the whole Law, since it includes section 6, would be the same on section 6, if I am making myself clear. In other words, section 6(2), when you put in the number of days to 330, would move the suspension of this section down to the first of June, which is, in effect, what the suspension of the Law is doing.

Mr. W. McKeeva Bush : Mr. Chairman. There are penalties throughout the Law, but we are dealing with penalties for registration. If they had not turned down the first amendment, it would have made it even better.

I want to determine from the Government Bench what they are trying to achieve. They say that the Superintendent is not in place, and the Regulations need to come. If those are the things that are worrisome to the Government Bench, and they are not in place, and the Government needs time to get them in place, that does not stop registration. The penalties—they cannot complain about the penalties, because this is suspending the penalties! Government has to be mindful of the fact that we cannot get away from it, and we might as well ad-

dress it in this Committee and be open to ourselves and to the people who will be paying pensions.

Government knows that insurance is coming in June. They are saying now that contributions will start in June. One is June and one is July. Maybe I am a little bit mixed up, but I think those are the months. Are they saying they are going to put both together? We have to deal with it! So, as I said, if penalties are the worry about the registration, then this suspends penalties for 330 days! I do not think Government should leave the air muddled. Let us put it another way—they should clear the air on what will happen in June and July. I think that is fair to the public and to the House.

I know full well the heat Government has taken in bringing this, and in trying to appease the public. The lady Minister talked about amendments. They are not amendments that have so much to do with policy, but they are clean-up amendments—change of wording, housekeeping amendments. But again, all those amendments came because of public input—we want this, we don't want that, let's see how we can get this working so it won't do this. These are the kinds of things the public came up with. So they are housekeeping amendments, and I cannot understand why we do not go ahead with the registration, as was supposed to have happened in any event. Why were we not worried before about the liabilities when we suspended the coming into effect date?

I certainly think they need to clear the air on what is going to happen in those two months.

The Chairman: The Fourth Elected Member for George Town.

Dr. Frank McField: Mr. Chairman, with regard to the amendment being sought by the First Elected Member for West Bay with the new Clause 4, the amendment to section 6(2) of the principal Law, I am not going to pretend that I am versed enough in the technicalities here to be able to call a spade a spade. But the attempt being made here is to see if we can avoid the two laws coming into effect at the same time, the Pensions Law and the Health Insurance Law. The Member is trying to assist the Government Bench in preventing that error from occurring, and although the Minister responsible might have taken offence to some of the things that were said, I continue to believe that this is the big difficulty which might prove to be even more significant than a technical difficulty. For this reason, I would support this amendment. I think as a form of compromise, it would be good. I would also be interested in hearing what the Honourable Second Official Member, the Attorney General, has to say about some of these issues here, since he is our legal mind.

The Chairman: The Honourable Minister responsible for Community Affairs, Sports, Women, Youth and Culture.

Hon. Julianna O'Connor-Connolly: Mr. Chairman, if I could refer to sections 6(1) and 6(2), which read: 6(1)

“No person shall administer a pension plan for the benefit of employees unless the plan has been registered by the Superintendent, and a certificate has been issued in respect of the plan by the Superintendent.”

The statutory proviso reads: **“Notwithstanding subsection (1), a pension plan which has not been registered in accordance with subsection (1) may be administered without the required registration during the first 180 days after the commencement of this Law.”**

Mr. Chairman, as I understand it, the Mover of the amendment is seeking to delete “180 days” and substitute “330 days.” The only difference, as I see it, is that both will cause the Law to go into suspension until the first of June; except what the Government is putting forward ensures that the contributors to the pension have the necessary and requisite protection of their contributions, whereas the other one leaves them open for that six-month period. That is my understanding of it, Sir.

Mr. W. McKeeva Bush : Mr. Chairman, if . . .

The Chairman: The First Elected Member for West Bay.

Mr. W. McKeeva Bush : If the Minister is suspending the whole thing, who is going to contribute?

The Chairman: I think we are reviving a debate which has been completed on the Second Reading, and I think it is time now that we take the vote. The question is that the Clause be read a second time. Those in favour, please say Aye. Those against, No.

AYES AND NOES.

The Chairman: It appears to me that the Noes have it.

Mr. W. McKeeva Bush : Mr. Chairman, can we have a division?

The Chairman: Certainly.

The Deputy Clerk:

Division No. 27/97

(New Clause 4—National Pensions (Suspension) Bill, 1997)

AYES: 5

Mr. McKeeva Bush
Mr. John Jefferson
Mr. Kurt Tibbetts
Dr. Frank McField
Mr. Roy Bodden

NOES: 8

Hon. James M. Ryan
Hon. Richard H. Coles
Hon. George A. McCarthy
Hon. Julianna O'Connor-Connolly
Hon. Thomas C. Jefferson
Hon. John B. McLean
Hon. Truman Bodden
Hon. Anthony Eden

ABSENT: 4

Mr. Dalmain Ebanks
Mr. Linford Pierson
Miss Heather Bodden

Mrs. Edna Moyle

The Chairman: The results of the division: five Ayes, eight Noes. New Clause 4 is defeated.

NEW CLAUSE 4 DEFEATED BY MAJORITY.

The Deputy Clerk: A Bill for a Law to suspend the operation of the National Pensions Law, 1996, and for incidental and connected purposes.

The Chairman: The question is that the Title do stand part of the Bill. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Chairman: The Ayes have it. The Title do stand part of the Bill.

AGREED: TITLE PASSED.

The Chairman: That concludes proceedings in Committee on this Bill, and now we go to The [Development and] Planning (Amendment) (Advertisement Control) Bill, 1997.

THE [DEVELOPMENT AND] PLANNING (AMENDMENT) (ADVERTISEMENT CONTROL) BILL, 1997

The Clerk: Clause 1 Short title.
Clause 2.

The Chairman: The question is that Clauses 1 and 2 do stand part of the Bill. If there is no debate, I put the question. Those in favour, please say Aye. Those against, No.

AYES.

The Chairman: The Ayes have it. Clauses 1 and 2 do stand part of the Bill.

AGREED: CLAUSES 1 AND 2 PASSED.

The Deputy Clerk: A Bill for a Law to amend the Planning Law (1995 Revision) to control the display of advertisements and for incidental and connected purposes.

The Chairman: The question is that the Title do stand part of the Bill. Those in favour, please say Aye. Those against, No.

AYES.

The Chairman: The Ayes have it. The title do stand part of the Bill.

AGREED: THE TITLE PASSED.

The Chairman: That concludes proceedings in Committee on a Bill entitled The National Pensions (Suspension)

Bill, 1997, and the question is that the Bills be reported to the House. Those in favour, please say Aye. Those against, No.

AYES.

The Chairman: The Ayes have it. The House will resume.

AGREED: COMMITTEE TO REPORT TO THE HOUSE.

HOUSE RESUMED

REPORTS ON BILLS

The Speaker: Reports. The Honourable Minister for Community Affairs, Sports, Women, Youth and Culture.

THE NATIONAL PENSIONS (SUSPENSION) BILL, 1997

Hon. Julianna O'Connor-Connolly: Thank you, Mr. Speaker. I have to report that a Bill for a Law to suspend operation of the National Pensions Law, 1996, and for incidental and connected purposes, was considered by a Committee of the whole House and passed with one amendment.

The Speaker: The Bill is set down for Third Reading.
The Honourable Minister for Education, Aviation and Planning.

THE [DEVELOPMENT AND] PLANNING (AMENDMENT) (ADVERTISEMENT CONTROL) BILL, 1997

Hon. Truman M. Bodden: Mr. Speaker, I have to report that a Bill entitled The [Development and] Planning (Amendment) (Advertisement Control) Bill, 1997, was considered by a Committee of the full House and passed without amendment.

The Speaker: The Bill is accordingly set down for Third Reading.
Third Readings.

BILLS

THIRD READINGS

THE NATIONAL PENSIONS (SUSPENSION) BILL, 1997

The Deputy Clerk: The National Pensions (Suspension) Bill, 1997.

The Speaker: The Honourable Minister for Community Affairs, Sports, Women, Youth and Culture.

Hon. Julianna O'Connor-Connolly: Mr. Speaker, I beg to move the Third Reading of The National Pensions (Suspension) Bill, 1997.

The Speaker: The question is that the National Pensions (Suspension) Bill, 1997, be given a third reading and passed. Those in favour, please say Aye. Those against, No.

AYES AND NOES.

The Speaker: The Ayes have it. The Bill has accordingly been given a Third Reading and passed.

AGREED: THE NATIONAL PENSIONS (SUSPENSION) BILL, 1997, GIVEN A THIRD READING AND PASSED.

The Speaker: Bills, Third Reading.

THE [DEVELOPMENT AND] PLANNING (AMENDMENT) (ADVERTISEMENT CONTROL) BILL, 1997

The Deputy Clerk: The [Development and] Planning (Amendment) (Advertisement Control) Bill, 1997.

The Speaker: The Honourable Minister for Education, Aviation and Planning.

Hon. Truman M. Bodden: Mr. Speaker, I move the Third Reading of a Bill entitled The [Development and] Planning (Amendment) (Advertisement Control) Bill, 1997.

The Speaker: The question is that a Bill entitled The [Development and] Planning (Amendment) (Advertisement Control) Bill, 1997 be given a Third Reading and do pass. Those in favour, please say Aye. Those against, No.

AYES AND NOES.

The Speaker: The Ayes have it. The Bill has accordingly been given a Third Reading and passed.

AGREED: THE [DEVELOPMENT AND] PLANNING (AMENDMENT) (ADVERTISEMENT CONTROL) BILL, 1997 GIVEN A THIRD READING PASSED.

The Speaker: I think this might be a convenient time for us to take the evening break. Let us try to keep it to fifteen minutes if possible.

Mr. W. McKeever Bush : Mr. Speaker, do we really need to take a break now? We do not have much business left. I do not foresee a long debate on any of the other matters, and it is getting on. I wonder whether we need to take a break.

The Speaker: I have had a request from some Members, so let us make it as short as possible. We shall suspend for ten minutes.

PROCEEDINGS SUSPENDED AT 5.24 PM.

PROCEEDINGS RESUMED AT 5.46 PM

The Speaker: Please be seated.
Bills, Third Readings.

BILLS

THIRD READINGS (CONTINUING)

THE PENSIONS (AMENDMENT) BILL, 1997

The Clerk: The Pensions (Amendment) Bill, 1997.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: I beg to move the third reading of a Bill entitled The Pensions (Amendment) Bill, 1997.

The Speaker: The question is that a Bill entitled The Pensions (Amendment) Bill, 1997, be given a third reading and passed. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: THE PENSIONS (AMENDMENT) BILL, 1997 GIVEN A THIRD READING AND PASSED.

The Speaker: Motions. Government Motion No. 14/97, The Public Finance and Audit Law (1997 Revision) and the Miscellaneous Provisions (Fees and Duties) (Temporary) Law, 1997 (Environmental Protection Fund). The First Elected Member for George Town, continuing.

GOVERNMENT MOTIONS

GOVERNMENT MOTION NO. 14/97

THE PUBLIC FINANCE AND AUDIT LAW (1997 REVISION) ~and~ THE MISCELLANEOUS PROVISIONS (FEES AND DUTIES) (TEMPORARY) LAW, 1997(ENVIRONMENTAL PROTECTION FUND)

(Continuation of debate thereon)

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker.

It has been a few days since we broke from this Motion and, in support of the efforts of the Honourable Third

Official Member, I think it is only fitting that I read the Motion to show its full intent. I will make my comments regarding the obvious intent of the Motion and then I will say a few other things. Government Motion No. 14/97—The Public Finance and Audit Law (1997 Revision) and the Miscellaneous Provisions (Fees and Duties) (Temporary) Law, 1997 (Environmental Protection Fund), reads:

“WHEREAS under section 7 of the Miscellaneous Provisions (Fees and Duties) (Temporary) Law, 1997 environmental protection fees are to be collected from passengers on vessels and aircraft;

“AND WHEREAS it is necessary to establish an environmental protection fund to ensure that the fees collected are kept separate from general revenue of the Islands and are expended to protect and preserve the environment of the Islands.

“BE IT NOW RESOLVED-

“(1) that an environmental protection fund be established in accordance with the powers contained in section 30 of the Public Finance and Audit Law (1997 Revision);

“(2) that all environmental protection fees collected under section 7 of the Miscellaneous Provisions (Fees and Duties) (Temporary) Law, 1997 shall be credited to the fund;

“(3) that the Legislative Assembly or the Finance Committee may make additional appropriations to the fund from the general revenues, borrowings or other funds of Government;

“(4) that disbursements from the fund may only be made in accordance with resolutions made by the Finance Committee, and under the authority of the Financial Secretary, for the purpose of defraying expenditure incurred in protecting and preserving the environment of the Islands;

“(5) that if at the close of account for any financial year it is found that expenditure charged to the fund is less than the sum appropriated to the fund, the surplus shall be held in the fund for disbursement in future years; and

“(6) that the Accountant-General shall prepare a statement of accounts for this fund as part of the Government's annual financial statements.”

In my view the Motion is very well thought out. It outlines clearly the purpose of the fund, the terms of reference and how, and by what authority, the fund can be applied. I willingly accept that this is something we should be seeing more of.

Having said that, I wish to move to Table 2A of the 1998 Estimates, which outlines the Government's proposed use in 1998 of the Environmental Protection Fund. Table 2A reads (is it not very long, but I need to go through it) as follows: in the first line is the accumulated balance brought forward from 1997 of \$0.35 million. The next line quotes the anticipated receipts into the Environmental Protection Fund in 1998 of \$2.25 million, and the next line shows that when you add those two figures together, you have a total inflow of \$2.60 million. After that, we see how some of it is intended to be spent.

The first area of use for this fund is for the Port Authority loan repayment on cruise ship moorings of \$0.15 million, which is \$150,000. To raise the questions I need to at this time regarding this loan repayment on cruise ship moorings, I wish to refer to the Financial Statements of the Port Authority of the Cayman Islands for 31st December, 1996 and 1995. In these financial statements, first of all on page 11, number 7 in the Notes to the Financial Statements—Long-Term Debt, the penultimate paragraph reads, **“The Port Authority arranged a loan for CI\$6 million with a local bank to apply towards the construction of permanent cruise ship moorings. As at December 31, 1996 no amounts had been drawn on this facility.”** Unless I am misunderstanding what these notes are saying, the loan for the cruise ship moorings is a loan taken out by the Port Authority. I am sure there is a logical explanation, but I have to bring this question to bear so that an answer can be made clear.

Under the same notes to the Financial Statements, in number 9—Commitments, it says, **“During the year ended December 31, 1996, the following commitments were entered into by the Port Authority: Authorised and contracted [and I will not read all of them, I am just reading the one that relates to the cruise ship moorings] (2) Engineering costs related to the installation of permanent cruise ship moorings of US\$251,800 were approved during the year ended 31st December, 1996. As at that same date, US\$184,368 had been expended towards this project. An additional cash amount of US\$50,013 was restricted as at December 31, 1996, for this project.”**

If I am reading these financial statements correctly, and I am looking at the 1998 Estimates, it appears to me that the Port Authority has engaged a loan for the cruise ship moorings. I am assuming that the whole operation is in the works because at this point I know nothing about what the position is with the cruise ship moorings. They have not been installed yet. I make no assumptions in that area because I know it takes time, and I am assuming that we are in the middle of that entire operation. But I need to have explained to me why, if the Port Authority has engaged a loan for these moorings, the money from the Environmental Protection Fund is being used to repay the loan. I am sure the answer is forthcoming.

In the process I would like to know what funds have been drawn down (since according to the statements up to December 1996 there was no draw-down), what funds have been expended and for what purpose, and when repayments start.

The very first line of the Motion reads: **“WHEREAS under section 7 of the Miscellaneous Provisions (Fees and Duties) (Temporary) Law, 1997 environmental protection fees are to be collected from passengers on vessels and aircraft.”** I think we all realise how the funds are derived. I am not questioning the relationship between cruise ship moorings and how the funds are collected. I want to understand how the Port Authority engaged in a loan and funds that are in a Government account are being used to repay the loan—if that is the case.

Taking \$150,000 out of the \$2.6 million leaves an accumulated surplus of \$2.45 million. That is what is projected for 1998. As part of the balancing act for the 1998 Estimates, it is projected that there will be a transfer to the Capital Development Fund—that wonderful new fund we are talking about—of \$2.04 million, leaving an accumulated balance to be carried forward at year end 1998 of \$410,000.

The fourth ‘Resolved’ section of the Motion says: **“(4) that disbursements from the fund may only be made in accordance with resolutions made by the Finance Committee, and under the authority of the Financial Secretary, for the purpose of defraying expenditure incurred in protecting and preserving the environment of the Islands.”** We have had many discussions, in fact many arguments regarding capital expenditure for 1998. I know of no specific project which directly relates to the protection and preservation of the environment of the Cayman Islands. If we are to transfer \$2.04 million from the Environmental Protection Fund to the Capital Development Fund then, based on the Motion, it is incumbent upon all concerned that at least \$2.04 million out of that Capital Development Fund must be spent on projects which relate to the protection and preservation of the environment.

I will not get back into another debate, but suffice it to say that I have seen no proof of this. If others who speak after me, or the Mover of this Government Motion can prove it to me, I will be happy to accept. From all of my searching I see nothing of it, from all of my listening to the debate from the Government Bench regarding the Estimates and the Loan Bill I heard nothing about any project of this nature.

If I, as a Member not only of this Honourable Legislative Assembly but as a Member of Finance Committee, who has to approve the use of these funds, have not seen any such thing, it leads me to wonder what sense there is in passing this Motion if it is going to be abused. Rather than standing here contending that is what is going to happen, I need someone to answer the questions I have raised.

When this was first brought about, it was March 1997. It was the second reading of the Miscellaneous Provisions (Fees and Duties) (Temporary) Bill, 1997. In his contribution to the debate, the Third Elected Member for Bodden Town had some questions regarding this fund. I will quote a section of his contribution. He said: **“Some items in this are really creating precedents. This whole business of an environmental tax of**

\$2.00—which, according to the Bill, is to be levied on every traveller on every outbound vessel and every tourist in a cruise ship—there is no provision for where this money is going to go. There is no escrow account bearing the title of an ‘Environmental Protection Fund’. There is no designation of what aspect of the environment these fees are going to be used to protect, preserve or keep. You do not have to be too mischievous to wonder if this is not a glorified title for an increase in travel tax.” (*Hansard* 14th March, 1997, page 50.)

The Third Elected Member for Bodden Town raised those queries in March. The Government Motion coming behind it in the month of December is seeking to allay all of those fears, and the fears of those of us who did not voice it at that time. But from all I can see, unless there is proof forthcoming that the fears are unfounded, then instead of being allayed, the fear has increased.

I am absolutely sure that there are Members facing me today who are asking themselves, *‘Why is this fellow like this? Why is he digging into everything?’* I am going to tell you why. For the past five years I have done everything possible to try and understand how my country runs. I certainly am no authority, but as time has gone on, I have understood a little bit more. As my eyes get opened a little bit wider, I see problems ahead of us.

It is late, we do not want to be here too late, but I have to impress upon the Government of this country—as repetitious as it may seem—that if we do not examine ourselves and stop doing the country’s business in the manner in which we are doing it, we will fall. We are doing projections, balancing budgets, creating funds and we are not doing the business the way it should be done. If there are those among us who simply do not understand because they do not know better, I pray to God that those who do will teach them. If there are those who know better but because they are so used to not doing better, and cling to the way they know, I pray that God will speak to them so they can mend their ways.

It may seem that I suddenly have this fighting spirit. But none of them can say that I have not tried to use all of the normal means. There comes a time when you try and no one listens, that you try another way. I wish to take the last two minutes before I sit down on this contribution to read a short excerpt to prove to each and every one of us here why we should be worried. This is just a very short article relating to the economy of Jersey. We all know that in the world that we live in that name equates to competition for us. We argue about general reserves, we argue about budgets not really balancing, we argue about employment, we hide this, and we hide that. Let me tell you the way our competition operates as a country. I quote: **“Jersey has a strong economy, and this provides a solid foundation for the continued development of the island as a successful international financial centre. Jersey balances its budget, compared with a European average budget deficit of 2.5% of GDP.”** It does not end there. The very next line says: **“Jersey has no public debt and has a strategic reserve broadly equal to one year’s tax revenues.”**

And they are supposed to be ordinary. That is our competition, and the world we think we are living in causes us to increase everything we are doing—our debt ratio, our repayment ratio, all of that—and we are everything well. The competition can have people go and examine situations in their country, and write articles saying, *'Listen. I am not from this country. I have gone there and I am telling the truth.'* They are not spouting their own message. That is why I am worried, Mr. Speaker.

I will end my contribution regarding this Government Motion by asking at least the Mover. . . and before I say what I am going to say, let me say this: If answers are covered up any more. . . as I grow older I learn more lessons. My memory is pretty good. I can tell you here and now that even when I feel it, I will live within the bounds of the Standing Orders and such like in the future because I respect that I should. But I can promise this House one thing: Anything I hear from now on that does not ring of total truth, if it takes me to ask God for a better vision, I am going to do everything possible to find out. It must be transparent. The system must be inherently transparent. I am tired—the country is tired!—of things not being put in proper perspective and being related to the public.

Mr. Roy Bodden: It must be seen to be so.

Mr. D. Kurt Tibbetts: As my good friend just said, the system must not only be transparent, but must be seen to be so by me, all others and the public at large.

I am only asking for the truth. I do not want it doctored. If it means that I look like an idiot, that is fine. Give it to me that way and I am happy. Mr. Speaker, this may seem to be repetitious, but I can promise you that any time you hear me not sounding as I should in this House it is because of the lack of truth.

Thank you.

The Speaker: Does any other Member wish to speak? (Pause) Let us not delay. If another Member wishes to speak, please come forward. (Pause)

If no other Member wishes to speak, would the Mover care to reply?

Hon. George A. McCarthy: Thank you. In the presentation of the resolution to establish the Environmental Fund, it was noted that the purpose of the fund was to manage and control schemes to protect and preserve the environment of these Islands. I further suggested that the fund was being established to be flexible, and would receive appropriations from any source and expend monies to protect and preserve the environment of these Islands in schemes which may involve recurrent, capital acquisitions, capital development or a mixture of any of these three categories of expenditure.

The 1998 Draft Budget includes a provision to transfer \$2.04 million from the Environmental Protection Fund to the Capital Development Fund to assist in financing the environmental-related projects in the following areas: landfill development, sewage treatment facilities, en-

hancement facilities for the Department of the Environment, various coastal enhancement projects, and the further development of public open spaces in the districts. As noted in the presentation, a special resolution of Finance Committee will be required prior to the transfer from the Environmental Protection Fund, and at that time the specific projects will be detailed to support the actual transfer.

This is saying that although this money has been provided in the Budget to be transferred into the Capital Development Fund, a range of projects will have to be determined as qualifying for financing under the terms as set out in the Environmental Protection Fund. Once this range of projects has been identified, this listing of projects will be submitted for consideration to Finance Committee and a decision taken to authorise the necessary transfers based on the justifications that will be provided to the Finance Committee.

The \$150,000 put into the Budget to assist the Port Authority, and the First Elected Member for George Town has correctly raised the question as to what would be the basis for the transfer. It is understood that the draw-downs from the loan approved for the installation of permanent moorings will commence during the course of this year. Against those draw-downs, there will be certain interest costs. It was deemed that permanent moorings were required to ensure the protection of the environment in order to minimise the damage being caused by the dragging of cruise ship anchors within the George Town dock area. It was felt, given the burden that would be placed upon the Port Authority having to service that loan, it would be quite appropriate to seek supplementation of the funds available by making a transfer out of the Environmental Protection Fund. I trust that this will be an adequate response to the Member's questions on this.

As I said, a range of projects will be identified. That listing, once identified, to the value of \$2.04 million, will be submitted for review and approval at a meeting of Finance Committee. That will then become the basis of the transfer from the Environmental Protection Fund to the Capital Development Fund.

In order to expand his views on the prudence of transparency in government, and to look at what our competition has been doing, the Honourable Member has referred to an article on Jersey, setting out their financial position as it now stands. If we were to examine our financial systems and financial accountability, we all agree that there is a need for improvement. We are committed to this, and at present, as indicated in previous statements to this House, there is a review underway of the Public Finance and Audit Law. We are looking at the Government's accounting system. We are examining the cash accounting system with a view to making a determination whether we should move to a modified accrual system or a full accrual system.

When we take all of these into account, these actions can be translated into progress. When we compare ourselves with countries such as Jersey, it is always good to look and see what is happening elsewhere. It is always good to look and see what the competition is do-

ing. A lot of these countries do not have the type of tax base as we do in Cayman. A lot of them may have a mild form of direct taxation system in place. If we were to examine what we have done over the years, given the structure of the indirect tax system we have in Cayman, and when we look at the level of services being subsidised, granted, there is a need for refinement. But we saw earlier this year what happened when the Government attempted to put in place specific revenue measures to enhance the level of available revenue. I will give you an example. About eight years ago, there was a review carried out in terms of the cost of refuse collection. At that time it was shown that it was costing the country in excess of \$250 per household. Today we are charging the same \$50 that was being charged then.

When we look at the amount of money being put out for education, over \$27 million, granted, that is very important. One cannot measure the benefits back to society, in fact, one should not suggest that is not a fair amount of money to spend. Probably more should be spent. But when we look at what is being charged for book rental fees, it is almost ludicrous in comparison to persons who have the ability to make a greater contribution to the education of their children, for example, what is being paid in private schools. I am not suggesting that this should be a burden strapped on to the society. But I am suggesting that is an area that can be looked at.

A substantial portion of revenue is allocated for the provision of health services, an integral part of the services required because the good health of the society is important. Against over \$20 million in the Budget is revenue of a little over \$4 million. We have a narrow revenue stream. These are things that will have to be looked at. I have heard Members of this Honourable House say there is a need for the public to be educated on this. We are looking into these areas. Through the political system, this education process will have to take place so that conscious decisions can be made regarding what the country is prepared to subsidise.

It is very important to look carefully at this and see what has been squeezed out of the narrow band of revenue made available to the country as a whole. It is important for the sake of stability that the private sector, or the financial industry, knows on an annual basis that the Government will not be arbitrarily raising fees. This is discussed with them. This creates stability in the business being brought into Cayman. We look at the employment spin-off. Granted, we need to look at the revenue stream. An exercise is underway at this time whereby through the reinvention exercise services are being costed, reports will be provided to the Legislative Assembly to demonstrate to Members what the position is at this time, and where appropriate to consider certain revenue enhancements.

Another point, as Financial Secretary I am a God-fearing person. I do not tell lies. When I come into this House to provide Members with information, I try to be as truthful as possible. That is my commitment to the truth. I have dealt in my responses to parliamentary questions to sharing information with Members, to the furthest extent

that can be allowed. Members will have to bear in mind that as a Member of Executive Council, I am bound by collective responsibility. I have my private views on issues, but when I come to this House, I have to take the position that has been arrived at as being the consensus of the Government on issues.

Executive Council is the place where I let my views or the differences in my thoughts be known in putting forward those ideas. But I am bound by collective responsibility. I trust that the Honourable Member will be of the view that whenever I provide information to this House I am being as truthful as possible.

Each day we live and we learn. This Budget process and what we have gone through has been a learning experience for all, including me. We have seen certain areas that need to be improved and we have seen some areas that need vast improvement. I am sure that subsequent budget sessions will be totally different. We have seen that figures have been put in the Budget and the sum has been different from the amount set out in the allocated expenditure. It was not a question of errors made. The logic saying that departments should prioritise when they ask for \$70,000 and were given \$40,000, or asked for \$50,000 and were given \$25,000, this has been a process over time.

To conclude, Mr. Speaker, we have a narrow band of revenue. It is necessary to look, wherever revenue exists, to see how such revenue can be brought into the general pool to facilitate the financing of Government projects, recurrent expenditure, statutory expenditure. Certain decisions will have to be made. I think the Honourable Minister for Agriculture said today that we are not the Islands that time has forgotten. We have now arrived. We have 'up-front costs' that would normally be borne by any society. We have our road works and so on. We cannot be out there talking about third-world roads or school systems. These terms are totally out the window as far as the Cayman Islands are concerned. We have real costs in front of us and these costs will have to be met. We have to examine our revenue base.

This exercise will be done and I will be submitting the findings to the Government for consideration. As I said, when we look at refuse collection, there is just so much that can be squeezed out of the narrow band of fees that we have at this time. I do not believe that we need to move at this time to a form of direct taxation, but we need to examine the existing revenue measures more carefully, and determine what equitable amounts should come from those sectors.

The Speaker: I will now put the question on Government Motion No. 14/97. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: GOVERNMENT MOTION NO. 14/97 PASSED.

The Speaker: Government Motion No. 15/97—Development and Planning Law (1995 Revision) (An Infrastructural Fund).

The Honourable Third Official Member responsible for Finance and Economic Development.

GOVERNMENT MOTION NO. 15/97

DEVELOPMENT AND PLANNING LAW (1995 REVISION) (AN INFRASTRUCTURAL FUND)

Hon. George A. McCarthy: Government Motion No. 15/97 seeks to establish an Infrastructure Fund and reads as follows:

“WHEREAS under section 34A of the Development and Planning Law (1995 Revision) an infrastructure fund is established to be administered in accordance with directions issued by the Financial Secretary;

“AND WHEREAS it is necessary to ensure that the contributions collected are kept separate from general reserve of the Islands and are expended on the development of roads and other infrastructure in the Islands;

“BE IT NOW RESOLVED -

“(1) that all contributions collected under section 34A(4) of the Development and Planning Law (1995 Revision) shall be credited to the fund;

“(2) that the Legislative Assembly or the Finance Committee may make additional appropriations to the fund from the general revenues, borrowings or other funds of Government;

“(3) that disbursements from the fund may only be made in accordance with resolutions made by the Finance Committee, and under the authority of the Financial Secretary, for the purpose of defraying expenditure incurred on the development of roads and other infrastructure in the Islands;

“(4) that if at the close of account for any financial year it is found that expenditure charged to the fund is less than the sum appropriated to the fund, the surplus shall be held in the fund for disbursement in future years; and

“(5) that the Accountant-General shall prepare a statement of accounts for this fund as part of the Government’s annual financial statements.”

Thank you, Mr. Speaker.

The Speaker: Government Motion No. 15/97 is now open for debate. The Honourable Third Official Member responsible for Finance and Economic Development.

Hon. George A. McCarthy: The various Resolve sections of the Motion set out specifically how this fund will be maintained.

The Speaker: We have to change the tape.

MASTER TAPE CHANGED AT 6.34 PM.

The Speaker: The Honourable Third Official Member responsible for Finance and Economic Development please continue.

Hon. George A. McCarthy: The details as set out in the Motion state the purpose for establishment of the fund. It specifically points out the sources from where money will be injected into the fund, how it will be managed, and that at the end of the financial year separate financial statements will be prepared by the Accountant-General to be audited and subsequently tabled in this Legislative Assembly.

I do not think it is necessary to add any further details.

The Speaker: Does any Member wish to speak? The Fourth Elected Member for George Town.

Dr. Frank McField: I would like to make a very short observation here. When the Development and Planning Law was amended to include these infrastructure fees, I was of the opinion that areas were developing to the extent that it was causing a repercussion in other parts of the country, regarding people’s ability to afford land. It is still my opinion that an infrastructure fund should be responsive to the needs of the people in this country for homes and land. It is because of the rapid development and the expensive price of land that a lot of our people are incapable of owning land and homes.

I think that when we put this fund together, and I tried to mention that at the very beginning, if we are going to make a law to collect funds, we should have an idea where those funds will go. I believe it is very important to bear in mind that a fund like this should go to help people afford homes and land.

The Speaker: Does any other Member wish to speak? (Pause) If not, would the Honourable Mover wish to reply?

Hon. George A. McCarthy: I would like to thank Honourable Members for their support. I have noted the comments of the Fourth Elected Member for George Town. What must be borne in mind is that whenever certain developments occur within these Islands, they create a demand for the provision of infrastructure—roads, water and so on. This fund will ensure that there will be funds coming in to assist in defraying the cost incurred by the Government, because the Government cannot choose not to put in the infrastructure demanded as a result of these developments. By the mere fact that the Government is collecting a contribution from these developers,

this will alleviate the burden that would otherwise be imposed on the community at large to meet these infra-structural costs.

At the end of the day, monies not needed to be collected from the general public to provide certain services will convey a benefit to the society as a whole. As the Member will recall, when the Planning Law was amended, there was a concession granted to allow the abatement of stamp duty to first-time homeowners up to a given value for the acquisition of land or house and property.

The Speaker: I shall now put the question on Government Motion No. 15/97. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: GOVERNMENT MOTION NO. 15/97 PASSED.

The Speaker: Item number five, Other Business. Private Members' Motions. Private Member's Motion No. 5/97—Establishment of a Standing Select Committee of Privileges. The Third Elected Member for Bodden Town.

OTHER BUSINESS

PRIVATE MEMBERS' MOTIONS

PRIVATE MEMBER'S MOTION NO. 5/97

ESTABLISHMENT OF A STANDING SELECT COMMITTEE OF PRIVILEGES

(Continuation of debate thereon)

Mr. Roy Bodden: This is a position I like to be in. I like to make people uncomfortable.

MOTION TO WITHDRAW PRIVATE MEMBER'S MOTION NO. 5/97

Mr. Roy Bodden: Mr. Speaker, I have consulted with my colleagues. It is late in the day, it is late in the season, late in the year. I respectfully move, as important as this Motion is, that the House grant that this Motion be withdrawn to come back in the March sitting. I have made this move in consultation and with the agreement of my colleagues because we believe it is in the best interests of all concerned. Mr. Speaker, I will not miss this point: It allows us to demonstrate to the Government that we are indeed charitable and considerate.

The Speaker: The Chair thanks you. I shall put the question that Private. . .

Dr. Frank McField: Mr. Speaker, I second that.

The Speaker: Thank you. I shall put the question that Private Member's Motion No. 5/97 be withdrawn and be allowed to come back on the Order Paper next year during the February/March meeting. I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED: PRIVATE MEMBER'S MOTION NO. 5/97 BE WITHDRAWN AND BE ALLOWED TO COME BACK ON THE ORDER PAPER NEXT YEAR DURING THE FEBRUARY/MARCH MEETING.

The Speaker: That concludes the business on the Order Paper for this meeting and for this year. I will now call for a motion for the adjournment and will offer Members' an opportunity to convey Christmas greetings to their constituents and family.

The Honourable Minister for Education, Aviation and Planning.

ADJOURNMENT

Hon. Truman M. Bodden: Mr. Speaker, I move the adjournment of this Honourable House until 20 February 1998.

The Speaker: The question is that this House do now adjourn until 20 February 1998. The First Elected Member for West Bay.

Mr. W. McKeever Bush : Mr. Speaker, I wish to take this opportunity to extend to you and your family all the very best for this holy season. I also wish particularly for you, Mr. Speaker, good health in the New Year.

I also want to extend to all of my colleagues in this House and to their families a very joyous Christmas and the very best for the New Year. The same is extended to all the staff, in particular the Clerk and the Serjeant-at-Arms and all the other staff members of this Honourable House who serve us each day. The same goes out to the press and others who serve us.

I thought about what I would say at this time. We did not get to go into our prayer group today, nor will we get for the balance of this year in this House, but for the reading of the 25th, the scripture reads, "**Lord, how oft shall my brother sin against me and I forgive him? Until seven times?**" Jesus sayeth on to him, '**Until seventy times seven.**'" I would like to take a minute to read that portion of reading for the prayer group:

"Remember when? That's a question we hear a lot this time of year. Reminiscing with family and friends we browse through Christmases gone by, enjoying the memories until, inevitably, we stumble upon the memories we would rather forget. Suddenly

the pain comes rushing back—the sting of a parent’s criticism, the broken promise of a friend, the rejections, the disappointments, the heartaches. What should we do with memories like that? Do we have to drag them along like so much baggage from year to year? No. We can leave them behind. In fact, we must leave them behind and there is only one way to do it, through forgiveness. Forgiving someone sounds like a simple thing to do, yet few of us actually do it. We treat others as if it were one of life’s additional options—something we can take or leave alone. But it is not. It is a basic requirement for every believer. In fact, as far as God is concerned, unforgiveness is wickedness.”

It closes by saying, **“After all, Jesus paid off a mountain of debts for you (that is for you and me). You can afford to be generous about the nickel and dime debts of others. Spend time with the Holy Spirit allowing Him to reveal the unforgiveness in you. Then repent and release it. Make this Christmas more than just a time for remembering. Make it a time to forget.”**

Mr. Speaker, there is also a very special Christmas Carol that I love to listen to and often sing, entitled “O Holy Night.” In that song there is a line that talks about a thrill of hope. That is what I have for the new year—hope that we can all live together in peace and harmony in the House. That means putting away all envy, all deceit, avarice, bitterness and hate against each other. If we do this as Members in this House, it will hopefully spread in the country at large. That is my fervent hope for the new year.

I do wish all Members a joyous Christmas and a very happy and prosperous New Year.

I better not sit down before I take this opportunity to wish my constituents, friends and supporters throughout the Islands a joyous Christmas and happy and prosperous New Year, and I hope that you and the First Elected Member for Cayman Brac and Little Cayman will take my regards to the people of Cayman Brac and Little Cayman.

The Speaker: I certainly will. The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Mr. Speaker, I take this opportunity to wish you and your family a very merry Christmas and a happy and prosperous New Year. I also wish to extend these same wishes to the Clerk, Deputy Clerk and their respective families and the other members of staff of the Legislative Assembly, as well as our good Serjeant-at-Arms. I look forward to seeing that stoic, reserved and composed countenance in the new year.

To my colleagues in the House, the Government, both Official and Elected Members, I wish a very merry Christmas and a happy and prosperous New Year. It is my fervent prayer that we may return to these hallowed Halls refreshed, recharged and reinvigorated. While I wish that we may learn to respect and love one another more sincerely, I do not wish to see any lessening in our sincerity of belief in the principles upon which we stand

when we rise to debate. If we were all flat and monotonous the Parliament would soon lose its life and the public may lose interest. When saying that, I wish that we could find ways to express our disagreements without being personal and without bearing malice. I often remind myself that in spite of what I may think about the other person’s position, we are all in here for the same purpose—to do the best for the country.

In speaking at this time, I am also speaking on behalf of the First Elected Member for George Town, the third Elected Member for George Town, the fourth Elected Member for George Town, and I think I can safely include the Member for North Side who is not here. We bear no colleague any ill-will or malice.

To our constituents, friends, supporters and the country in its widest spectrum, we wish a very merry Christmas and a joyous and prosperous New Year.

Mr. Speaker, before I sit down I must also extend these cordial greetings and wishes to the members of the press, especially Mr. John Redman and Miss Bina Mani, who occupy the press gallery, and also members of Radio Cayman and hope, as a special wish and prayer from us on this side who are promoters of the vision, that when they return they may help us disseminate this vision we have undertaken.

The Speaker: The Honourable Minister responsible for Agriculture, Environment, Communications and Works.

Hon. John B. McLean: I speak on behalf of the National Team Government in wishing you, Mr. Speaker, and all Members of this Honourable House (and that includes the Backbenchers) and their families, the Members of staff at the Legislative Assembly and their families, and all of our friends throughout the Cayman Islands a very merry Christmas and a happy New Year. It is our hope that in the coming year, this House will be more united than it has been in the past few months. We also pray that God will guide us to live up to that when we come back here to represent our people, the people of the Cayman Islands.

The Speaker: The Honourable First Official Member responsible for Internal and External Affairs.

Hon. James M. Ryan: Mr. Speaker, I rise to make a few brief comments on behalf of the three Official Members. Let me begin by wishing you and your family a happy and joyous Christmas and a bright and prosperous 1998. In so doing, I would like to extend the same good wishes to the Clerk and her staff of the Legislative Assembly, as well as all Members of this Honourable House. I should also like to include members of the press. I cannot fail to single out Mr. John Redman who is faithfully here—even at this late hour and this late time of the year.

Finally, I would like to wish for all people in the Cayman Islands all that is good for the upcoming season and a wonderful 1998. I would particularly like to mention the people of Cayman Brac and Little Cayman, the two Islands that I love so dearly.

The Speaker: Does any other Member wish to speak?

If not, I would like to thank all Honourable Members for the courtesy they have extended and the tolerance they have shown to the Chair during this year. There have been some heated moments. There have been some pleasant moments. I thank you all for the fellowship and I look forward, as we come back next year, to working more closely together. I pledge that I shall try to be as impartial as is humanly possible.

I would like to say to all Honourable Members and the people of the Cayman Islands that I wish the very best for them in this Christmas season, and a very happy and prosperous New Year. To the Clerk and her staff, the Deputy and all the Members of the staff, the Hansard staff who do such a wonderful job, the Serjeant-at-Arms, and Miss Anita who keeps us so well fed, I would like to express my deep appreciation to each of them individually and to wish them and their families the very best for the season.

I would also like to take this opportunity to thank the Hon. George A. McCarthy, Financial Secretary, for the spiritual guidance he has offered to us during the year. I think that is as important or possibly more important than anything else we can do in life. I have benefited much from it and I think all Members join me in expressing deep appreciation to you for that and ask that you continue.

As we leave tonight and go to our individual homes, I pray God's richest blessing on each of you. May the year 1998 be a very happy, healthy and prosperous year for all of us. Before I sit down, I think the people of Cayman Brac and Little Cayman know that when I speak of the Cayman Islands my mind is on them first of all, that is where my roots are. I love all the Cayman Islands, but, naturally, there is no place like home. I wish for each and every one of them everything that is good, and pledge to represent them to the very best of my ability.

Again, I thank you all for the courtesies you have bestowed upon me this year. I would now like to put the question that this Honourable House do now adjourn until 10 o'clock in the morning on 20 February 1998. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

**AT 7.02 PM THE HOUSE STOOD ADJOURNED UNTIL
10.00 AM FRIDAY, 20TH FEBRUARY 1998.**

**EDITED
WEDNESDAY
27TH NOVEMBER, 1996
10.10 A.M.**

**ARRIVAL OF
HIS EXCELLENCY THE GOVERNOR
MR. JOHN OWEN, MBE**

His Excellency Mr. John Owen: Good morning. Please be seated.

I will now proceed with the administration of Oaths or Affirmations for Members of the Legislative Assembly. We shall begin with the Chief Secretary, the Hon. James M. Ryan, MBE, JP, First Official Member.

**ADMINISTRATION OF OATHS
OR AFFIRMATIONS**

**MEMBERS OF THE LEGISLATIVE ASSEMBLY
Administered by His Excellency the Governor**

**OATH OF ALLEGIANCE
Hon. James M. Ryan, MBE, JP**

Hon. James M. Ryan: I, James M. Ryan, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law. So help me God.

Clerk: Hon. Richard H. Coles, Second Official Member.

**OATH OF AFFIRMATION
Hon. Richard H. Coles**

Hon. Richard H. Coles: I, Richard Haylock Coles, solemnly and sincerely affirm and declare that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law. *(The Honourable Member actually read the Oath of Allegiance, but signed the Oath of Affirmation.)*

Clerk: Hon. George Anthony McCarthy, OBE, JP, Third Official Member.

**OATH OF ALLEGIANCE
Hon. George A. McCarthy, OBE, JP**

Hon. George A. McCarthy: I, George Anthony McCarthy, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law. So help me God.

Clerk: The Electoral District of West Bay. Mr. William McKeeva Bush, JP, First Elected Member.

**OATH OF ALLEGIANCE
Mr. W. McKeeva Bush, JP**

Mr. W. McKeeva Bush: I, William McKeeva Bush, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law. So help me God.

Clerk: Mr. Thomas Carroll Jefferson, OBE, JP, Second Elected Member.

**OATH OF AFFIRMATION
Mr. Thomas C. Jefferson, OBE, JP**

Mr. Thomas C. Jefferson: I, Thomas Carroll Jefferson, do solemnly and sincerely affirm and declare that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law.

Clerk: Mr. John Dwight Jefferson Jr., Third Elected Member.

**OATH OF AFFIRMATION
Mr. John D. Jefferson, Jr**

Mr. John D. Jefferson, Jr: I, John Dwight Jefferson, do solemnly and sincerely affirm and declare that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law.

Clerk: Mr. Dunstan Dalmain Ebanks, Fourth Elected Member.

**OATH OF ALLEGIANCE
Mr. D. Dalmain Ebanks**

Mr. D. Dalmain Ebanks: I, Dunstan Dalmain Ebanks, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law. So help me God.

Clerk: The Electoral District of George Town. Mr. Darwin Kurt Tibbetts, First Elected Member.

**OATH OF ALLEGIANCE
Mr. D. Kurt Tibbetts**

Mr. D. Kurt Tibbetts: I, Darwin Kurt Tibbetts, do swear that I will be faithful and bear true allegiance to Her

Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law. So help me God.

Clerk: Mr. Truman Murray Bodden, OBE, Second Elected Member.

**OATH OF ALLEGIANCE
Mr. Truman M. Bodden, OBE, JP**

Mr. Truman M. Bodden: I, Truman Murray Bodden, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law. So help me God.

Clerk: Mr. Linford A. Pierson, JP, Third Elected Member.

**OATH OF ALLEGIANCE
Mr. Linford A. Pierson, JP**

Mr. Linford A. Pierson: I, Linford Ainsworth Pierson, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law. So help me God.

Clerk: Dr. Frank S. McField, Fourth Elected Member.

**OATH OF ALLEGIANCE
Dr. Frank S. McField**

Dr. Frank S. McField: I, Dr. Frank S. McField, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law. So help me God.

Clerk: The Electoral District of Cayman Brac and Little Cayman. Mrs. Julianna O'Connor-Connolly, First Elected Member.

**OATH OF AFFIRMATION
Mrs. Julianna O'Connor-Connolly**

Mrs. Julianna O'Connor-Connolly: I, Julianna O'Connor-Connolly, do solemnly and sincerely affirm and declare that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law.

Clerk: Capt. Mabry Salisbury Kirkconnell, MBE, JP, Second Elected Member.

**OATH OF AFFIRMATION
Capt. Mabry S. Kirkconnell, MBE, JP**

Capt. Mabry S. Kirkconnell: I, Mabry Salisbury Kirkconnell, do solemnly and sincerely affirm and declare that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law.

Clerk: The Electoral District of Bodden Town. Mr. Anthony Samuel Eden, First Elected Member.

**OATH OF ALLEGIANCE
Mr. Anthony S. Eden, JP**

Mr. Anthony Eden: I, Anthony Samuel Eden, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, her Heirs and Successors, according to Law. So help me God.

Clerk: Miss Heather Diane Bodden, Second Elected Member.

**OATH OF AFFIRMATION
Miss Heather D. Bodden**

Miss Heather D. Bodden: I, Heather Diane Bodden, do solemnly and sincerely affirm and declare that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law.

Clerk: Mr. Roy Bodden, Third Elected Member.

**OATH OF AFFIRMATION
Mr. Roy Bodden**

Mr. Roy Bodden: I, Roy Bodden, do solemnly and sincerely affirm and declare that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law.

Clerk: The Electoral District of North Side. Mrs. Edna Marie Moyle, JP.

**OATH OF ALLEGIANCE
Mrs. Edna M. Moyle, JP**

Mrs. Edna M. Moyle: I, Edna Marie Moyle, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law. So help me God.

Clerk: The Electoral District of East End. Mr. John Bonwell McLean, OBE, JP.

**OATH OF ALLEGIANCE
Mr. John B. McLean, OBE, JP**

Mr. John B. McLean: I, John Bonwell McLean, do swear that I will be faithful and bear true allegiance to Her Majesty Queen Elizabeth II, Her Heirs and Successors, according to Law. So help me God.

STATEMENT BY HIS EXCELLENCY THE GOVERNOR

His Excellency Mr. John Owen: That marks the end of the administration of Oaths and Affirmations to the newly elected representatives.

Before I leave, I want to refer briefly to the electoral process, the voters and the new Members of the Legislative Assembly.

The election process, from start to finish, ran smoothly and efficiently. This does not happen by chance; this is a direct result of months of hard work by the Supervisor of Elections and his staff. I congratulate him and his team of dedicated volunteers for ensuring that candidates and voters have full confidence in the integrity of Cayman's electoral process.

I want to particularly congratulate the people of the Cayman Islands, the voters of the Cayman Islands, for the high turnout at the polls of over 85%. You are an example to the world of a people who understand the importance of exercising your democratic right to vote.

Finally, to the Elected Representatives, congratulations on your success. The voters have placed a special trust and confidence in each one of you. This puts a heavy responsibility on your shoulders. Not only for those who voted for you, but for all of the people of these islands, serve them well. God bless you all. Thank you.

DEPARTURE OF HIS EXCELLENCY THE GOVERNOR

*Serjeant-at-Arms
His Excellency the Governor
ADC
Chief Justice*

Clerk: I invite the Reverend Harris Spence to say prayers.

PRAYERS

Rev. Harris Spence: 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, 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 Official Members and Ministers of Executive Council and Members of the Legislative Assembly that they may be enabled faithfully to perform the responsible duties of their high office. All this we ask for Thy Great Name's sake.

Together let us pray the Lord's Prayer.

Our Father, who art in Heaven, Hallowed be Thy Name, Thy Kingdom come, Thy will be done, on earth as it is in Heaven. Give us this day our daily bread; and forgive us our trespasses, as we forgive 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 to 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.

PROCLAMATION NO. 48 OF 1996 SUMMONING A MEETING OF THE LEGISLATIVE ASSEMBLY

**BY HIS EXCELLENCY, MR. JOHN OWEN, MBE
GOVERNOR OF THE CAYMAN ISLANDS**

Clerk: "WHEREAS Section 46 (1) of the Constitution of the Cayman Islands provides that the sessions of the Legislative Assembly of the Cayman Islands shall be held at such places and begin at such times as the Governor may from time to time by Proclamation appoint.

"NOW, THEREFORE, I, the Governor, by virtue of the power conferred upon me by section 46 (1) of the Constitution of the Cayman Islands, hereby proclaim that a session of the Legislative Assembly of the Cayman Islands shall be held at the Legislative Assembly Building in George Town, on the island of Grand Cayman, beginning at 10.00 AM on Wednesday 27th November, 1996.

"GIVEN under my hand and the public seal of the Cayman Islands, in the island of Grand Cayman, at George Town, this 22nd day of November, in the Year of our Lord, One Thousand Nine Hundred and Ninety-Six, in the Forty-fifth Year of the Reign of Her Majesty Queen Elizabeth II.

"God save the Queen."

NOMINATION OF THE LONGEST CONTINUOUS SERVING MEMBER OF THE LEGISLATIVE ASSEMBLY TO PRESIDE OVER THE ELECTION OF THE SPEAKER

Mr. Truman M. Bodden: Honourable Members, I nominate Mr. John McLean, the longest continuous serving Member of this Legislative Assembly to preside over the election of Speaker.

Mrs. Edna M. Moyle: I second that motion.

Clerk: Mr. McLean, please take a seat at the Clerk's Table.

[Mr. John B. McLean, Father of the House, in the Chair]

**NOMINATIONS FOR THE ELECTION OF THE
SPEAKER OF THE LEGISLATIVE ASSEMBLY
(Capt. Mabry S. Kirkconnell, MBE, JP)**

The Chairman: Good morning, and welcome.

The Honourable House now being in session, I now call for the nomination of Speaker.

Mrs. Julianna O'Connor-Connolly: Mr. Chairman, it gives me great pleasure to nominate my colleague from the Electoral District of Cayman Brac and Little Cayman, Capt. Mabry Kirkconnell, for the high office of Speaker of this Honourable House. May it please you.

Hon. Truman M. Boddin: Mr. Chairman, I second that nomination.

The Chairman: A motion has been moved and duly seconded. The floor is open.

(Pause) If there are no further nominations, it gives me great pleasure to welcome Capt. Mabry Kirkconnell to be the Speaker of the Legislative Assembly of the Cayman Islands.

[Hon. Mabry S. Kirkconnell, MBE, JP, Speaker, in the Chair]

The Speaker: Please be seated.

We shall proceed with the next Order of Business, the nomination of Deputy Speaker. The floor is now open for nominations.

**NOMINATIONS FOR THE ELECTION
OF DEPUTY SPEAKER
(Mrs. Edna M. Moyle, JP)**

Mr. Thomas C. Jefferson: Mr. Speaker, it is my pleasure to nominate Mrs. Edna Moyle as Deputy Speaker.

Miss Heather D. Boddin: Mr. Speaker, I second the Motion.

The Speaker: Are there any other nominations?

(Pause) If there are no other nominations, I declare Mrs. Edna Moyle elected as Deputy Speaker. I invite her to rise and be recognised.

**NOMINATION AND ELECTION OF FIVE MINISTERS
TO EXECUTIVE COUNCIL**

The Speaker: The next item on our Order Paper is the Election of five Ministers to Executive Council. The

procedure for this item is laid down under section 5 of the Constitution and under Standing Order 5 of the Orders of this House which govern the proceedings. The Chair proposes, subject to there being no objections, for Members to appoint the First Official Member and the Third Official Member as scrutineers if a ballot is required.

I now put the question that the Honourable First and Third Official Members be appointed scrutineers for the election. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it. The Honourable First and Third Official Members are appointed scrutineers for the election.

**AGREED: THE HONOURABLE FIRST AND THIRD
OFFICIAL MEMBERS APPOINTED SCRUTINEERS
FOR THE BALLOT COUNT.**

The Speaker: Before I call for nominations to the Executive Council, I crave the indulgence of members of the public gallery.

I am aware that the general Election, the outcome of which we witnessed on the 20th and 21st of this month, is being eagerly celebrated. The results of this election are also eagerly awaited. But I must ask that everyone refrain from any comments, sounds or other expressions of jubilation or disappointment.

This is a very serious matter, and the process can be more fluid if members of the general public desist from any manner of audible expression. I can assure you that at the appropriate time an opportunity will be given for you to manifest your agreement.

I shall now call for nominations to the Executive Council by voice. Each nomination will require a mover and a seconder. I should say at this time that the names of Honourable Members will be used rather than districts. Members are aware that normally in this Honourable House you are referred to by districts, i.e., the First Elected Member for George Town, or Second or Third; but on this occasion, for clarity, we will refer to Members by name. This will avoid any misunderstanding by the general public.

We are now open for Nominations to the Executive Council.

Mr. Roy Boddin: Mr. Speaker, I respectfully nominate Mr. Linford A. Pierson.

The Speaker: Mr. Linford A. Pierson has been nominated. Is there a seconder for that?

Mr. D. Kurt Tibbetts: I beg to second that, Mr. Speaker.

The Speaker: Mr. Linford Pierson.

Mr. Linford A. Pierson: I respectfully beg to nominate Mr. Kurt Tibbetts.

The Speaker: Mr. Kurt Tibbetts has been nominated. Is there a seconder? Mr. Roy Bodden.

Mr. Roy Bodden: I beg to second that.

The Speaker: That nomination has been seconded. Mrs. Edna Moyle.

Mrs. Edna M. Moyle: I beg to nominate Mr. McKeeva Bush.

The Speaker: Mr. McKeeva Bush has been nominated. Is there a seconder? Mr. Dalmain Ebanks.

Mr. D. Dalmain Ebanks: I beg to second that nomination.

Miss Heather D. Bodden: Mr. Speaker, I beg to nominate Mr. Anthony Eden.

The Speaker: Mr. Anthony Eden has been nominated. Is there a seconder? Mr. Bush.

Mr. W. McKeeva Bush: I beg to second that nomination.

The Speaker: Mr. Kurt Tibbetts.

Mr. D. Kurt Tibbetts: I beg to nominate Mr. Roy Bodden.

The Speaker: Mr. Roy Bodden has been nominated. Is there a seconder? Mr. Pierson.

Mr. Linford A. Pierson: Mr. Speaker, I beg to second that nomination.

The Speaker: Mr. John D. Jefferson, Jr.

Mr. John D. Jefferson, Jr: I beg to move the nomination of Mr. Thomas Jefferson.

The Speaker: Mr. Thomas Jefferson has been nominated, do we have a seconder? Mr. John McLean.

Mr. John B. McLean: Mr. Speaker, I beg to second that.

The Speaker: Mr. Anthony Eden.

Mr. Anthony Eden: I beg to nominate Mr. John McLean.

The Speaker: Mr. John McLean has been nominated, do we have a seconder? Mr. Truman Bodden.

Mr. Truman M. Bodden: I beg to second that.

The Speaker: Mr. John McLean.

Mr. John B. McLean: I respectfully nominate Mr. Truman Bodden.

The Speaker: Mr. Truman Bodden has been nominated, do we have a seconder? Mr. Thomas Jefferson.

Mr. Thomas C. Jefferson: I am pleased to second that motion.

The Speaker: Mr. Kurt Tibbetts.

Mr. D. Kurt Tibbetts: I beg to nominate Mrs. Julianna O'Connor-Connolly.

The Speaker: Mrs. Julianna O'Connor-Connolly has been nominated.

Mr. Roy Bodden: Mr. Speaker, I beg to second that.

The Speaker: Are there any other nominations?

Nine Members have been nominated. I shall call each Member individually at this time, and ask if they will accept or decline the nomination.

Mr. Roy Bodden, will you accept the nomination?

Mr. Roy Bodden: Yes, Mr. Speaker. I graciously accept.

The Speaker: Mr. Linford Pierson, will you accept the nomination?

Mr. Linford A. Pierson: Yes, Mr. Speaker, I am pleased to accept the nomination.

The Speaker: Mr. McKeeva Bush, will you accept the nomination?

Mr. W. McKeeva Bush: Mr. Speaker, I humbly accept the nomination.

The Speaker: Mr. Kurt Tibbetts, will you accept the nomination?

Mr. D. Kurt Tibbetts: Yes, Mr. Speaker, I accept the nomination.

The Speaker: Mr. Anthony Eden, will you accept the nomination?

Mr. Anthony Eden: Yes, Mr. Speaker.

The Speaker: Mr. Thomas Jefferson, will you accept the nomination?

Mr. Thomas C. Jefferson: I am pleased to accept the nomination.

The Speaker: Mr. John McLean, will you accept the nomination?

Mr. John B. McLean: Most certainly, Mr. Speaker.

The Speaker: Mr. Truman Bodden, will you accept the nomination?

Mr. Truman M. Bodden: Yes, Mr. Speaker, I humbly accept.

The Speaker: Mrs. Julianna O'Connor-Connolly, will you accept the nomination?

Mrs. Julianna O'Connor-Connolly: Yes, Mr. Speaker, I humbly accept.

The Speaker: Thank you.

At this time we will suspend for a few minutes while the Clerk prepares the ballot papers.

PROCEEDINGS SUSPENDED AT 10.50 AM

(Preparation of Ballot Papers)

PROCEEDINGS RESUMED AT 11.00 AM

SECRET BALLOT

The Speaker: Please be seated.

I will now ask the Honourable First and Third Official Members to take their place at the Clerk's Table. We will then distribute the ballots to all Members.

I will now say a few words about the procedure. I think I am right in saying that there are nine persons who have been duly nominated. The procedure for this election is that (and this I am saying for the benefit of the public) the Standing Orders decide or declare that we shall have a ballot. Members will vote by secret ballot, and the Clerk is handing out the names of those who have been nominated and seconded.

Under the present Constitution there are five Members to be elected, so you will only vote for five Members. You should not sign your paper. There should be no mark other than the 'X' on your papers. Your papers should not be identifiable. I am suggesting that perhaps you may fold the paper so that it will remain a secret ballot.

The Serjeant will then return the box to the Clerk in front of the two Scrutineers. The Clerk and the two Scrutineers will count the number of votes. They will then pass the list to the Chair for reading out. If there are five of the nominated Members receiving a clear majority of votes over the others, then those five will be declared duly elected.

This is how I plan to carry out the proceedings, and I ask that the gallery remain as quiet as possible.

The Speaker: If all Members have now completed their vote, I would ask the Serjeant to collect them in the box. Please fold your papers small enough so that they fit easily into the Ballot Box.

Will the Scrutineers begin the count?

Hon. James M. Ryan: (The Honourable Member read out the result of each Ballot Paper.)

The Speaker: The scrutineers may take their seats.

I shall now read out the number of votes received by each nominee:

RESULTS OF THE BALLOT

Mr. Roy Bodden	3 votes
Mr. Linford A. Pierson	3 votes
Mr. W. McKeeva Bush	11 votes
Mr. D. Kurt Tibbetts	3 votes
Mr. Anthony S. Eden	10 votes
Mr. Thomas C. Jefferson	10 votes
Mr. John B McLean	8 votes
Mr. Truman M Bodden	9 votes
Mrs. Julianna O'Connor-Connolly	4 votes

DECLARATION OF ELECTED MEMBERS TO EXECUTIVE COUNCIL

The Speaker: I therefore declare the following Members elected to Executive Council, and ask them to take their seats on the Government Bench. At that time you may show your appreciation by applause:

- Hon. W. McKeeva Bush
- Hon. Anthony S. Eden
- Hon. Thomas C Jefferson
- Hon. John B. McLean
- Hon. Truman M. Bodden

(Applause)

The Speaker: I have called these names as they were listed on the ballot paper, not necessarily by the number of votes received. If the Honourable Members want to seat themselves according to the votes received, that is for their discretion.

Proceedings are suspended for 15 minutes.

THE HOUSE WAS SUSPENDED AT 11.16 AM

THE HOUSE RESUMED AT 11.56 AM

NOMINATIONS FOR ELECTION OF MEMBERS TO THE STANDING PUBLIC ACCOUNTS COMMITTEE

The Speaker: Please be seated. The next order of business will be the nomination of Members to the Standing Public Accounts Committee. This is a Standing

Committee which exists under Standing Order 74 (2), therefore there is no need for a motion to be created.

First of all, I will ask the Honourable First Official Member to read the terms of reference of the Standing Public Accounts Committee.

Hon. James M. Ryan: Thank you, Mr. Speaker. Standing Order 74 (1) deals with the terms of reference for the Public Accounts Committee. It reads as follows:

"74 (1) There shall be a standing select committee, to be styled the Public Accounts Committee, to consider reports of the Auditor General -

- (a) on the accounts of the Government;
- (b) on such other accounts required to be laid before the House as the Committee may think fit; and
- (c) on any matter incidental to the performance of his duties or the exercise of his powers as the Committee may think fit.

(2) The Public Accounts Committee shall be nominated by the House at the beginning of a new session following a general election and shall consist of five elected Members. The quorum shall be three Members, including the Chairman.

(3) Upon its receipt by the presiding officer, a report mentioned in paragraph (1) shall be deemed to have been referred by the House to the Public Accounts Committee for consideration and shall forthwith be distributed on a confidential basis to all Members."

Mr. Speaker, that covers the terms of reference. There are other sections pertaining to the operational side, but that effectively covers the terms of reference.

The Speaker: Thank you, Honourable Member.

At this time I will call for nominations to the Public Accounts Committee. There will be five nominations.

Mr. Thomas Jefferson.

NOMINATIONS

Hon. Thomas C. Jefferson: Mr. Speaker. I beg to make the following nominations for Members of the Public Accounts Committee:

1. Mr. John Dwight Jefferson, Jr.
2. Mrs. Edna Marie Moyle
3. Mr. Dunstan Dalmain Ebanks
4. Mrs. Julianna O'Connor-Connolly
5. Miss Heather Bodden

Hon. Anthony Eden: I beg to second that motion.

The Speaker: Thank you. Are there any other nominations?

DECLARATION

The Speaker: There being no further nominations, I declare those Members duly elected to the Public Accounts Committee. At the first meeting the five Members will select their Chairman.

The next order of business will be the Nomination of Members to the Standing Register of Interests Committee. This is a new Committee being formed for the very first time, the Law being passed in the last meeting of the House.

I will call on the Honourable First Official Member.

NOMINATIONS FOR ELECTION OF MEMBERS TO THE STANDING REGISTER OF INTERESTS COMMITTEE

Hon. James M. Ryan: Thank you, Mr. Speaker.

The terms of reference for the Standing Register of Interest Committee are as follows. For the sake of clarity it is covered under Standing Order 73(A) (1), (2), (3), (4), and (5).

"73A. (1) There shall be a Standing Select Committee to be styled the Register of Interests Committee for the consideration of matters relating to the Register of Interests referred to it by the Registrar of Interests.

(2) The Committee shall consist of nine Members including the Chairman. The Chairman shall be nominated or elected in accordance with the provision of Standing Order 69(2). [Standing Order 69(2) simply says, "The Presiding Officer may nominate the Chairman of a Select Committee from among its own Members. If he does not make a nomination the Committee shall elect one of the Members to be Chairman."]

(3) The quorum of the Committee shall be five Members including the Chairman.

(4) The Committee shall be appointed at the beginning of a new session following a general election."

NOMINATIONS

The Speaker: I shall now call for nominations to the Register of Interests Committee.

The Honourable Anthony Eden.

Hon. Anthony Eden: Mr. Speaker, I beg to nominate the following people:

1. Mr. Kurt Tibbetts
2. Mr. Thomas Jefferson

3. Mr. McKeeva Bush
4. Mr. John McLean
5. Mr. Truman Bodden
6. Mrs. Edna Moyle
7. Mr. John Jefferson, Jr.
8. Mrs. Julianna O'Connor-Connolly
9. Dr. Frank McField.

Miss Heather D. Bodden: Mr. Speaker, I rise to second that motion.

The Speaker: Thank you. Are there any other nominations?

DECLARATION

The Speaker: There being no other nominations, I shall declare the Members duly elected to the Register of Interests Committee, and I shall appoint Mrs. Julianna O'Connor-Connolly as Chairman.

The next order of business will be the nomination of Members to the Standing Business Committee. I ask the Honourable First Official Member to move this Motion.

GOVERNMENT BUSINESS

MOTIONS

GOVERNMENT MOTION NO. 1

APPOINTMENT OF THE STANDING BUSINESS COMMITTEE

Hon. James M. Ryan: Thank you Mr. Speaker, I beg to move Government Motion No. 1, dealing with Appointments to the Standing Business Committee.

"BE IT RESOLVED that in accordance with the provisions of Standing Order 76, this House appoints a Standing Business Committee charged with deciding the order of business of the House and, in particular:

- (a) to prepare the Business Papers of the House;
- (b) to decide and inform the Clerk on Tuesday of each week the order in which Private Member's Motions are to be debated on the following Thursday;
- (c) to decide and to inform the Clerk two clear days before a Question Day the questions to be put down for reply on the Order Paper for that Question Day;
- (d) to provide a ready means of consultation between Members who are not members of the Executive Council, and the Leader of Government Business, the Presiding Officer and the Clerk;

- (e) to select a Member to read Prayers on each day of a meeting of the House other than the State Opening Meeting.

BE IT FURTHER RESOLVED that the Standing Business Committee shall comprise five elected Members;

AND BE IT FURTHER RESOLVED that the quorum for the Committee shall be three members of the Committee including the Chairman and that the Committee shall meet each Monday during a meeting of the House, and at other times as called by the Chairman."

The Speaker: I shall call for nominations for five Members of the Committee. May I have nominations, please?

Hon. John B. McLean: I move that the following persons be appointed to the Business Committee:

1. Mr. Truman Bodden
2. Miss Heather Bodden
3. Mrs. Julianna O'Connor-Connolly
4. Mr. Dalmain Ebanks.

Mr. John D. Jefferson, Jr: Mr. Speaker, I beg to second the Motion.

The Speaker: Are there any other nominations? We have four names nominated.

Hon. Truman M. Bodden: Mr. Speaker, I nominate Mrs. Edna Moyle to that Committee.

The Speaker: The other Member nominated is Mrs. Edna Moyle.

Mr. John D. Jefferson, Jr: I second that, Mr. Speaker.

The Speaker: Are there any further nominations?

If not, I move that Mr. Truman Bodden, Miss Heather Bodden, Mrs. Julianna O'Connor-Connolly, Mr. Dalmain Ebanks and Mrs. Edna Moyle be appointed to the Standing Business Committee.

Mr. Truman Bodden will be Chairman.

The Speaker: The next item is Government Motion No. 2, Appointment of the Standing House Committee. That will consist of five Members.

The Honourable First Official Member.

GOVERNMENT MOTION NO. 2

APPOINTMENT OF STANDING HOUSE COMMITTEE

Hon. James M. Ryan: Thank You, Mr. Speaker. I beg to move Government Motion No. 2 in connection with the appointment of Members to the Standing House Committee. The Motion reads as follows:

"BE IT RESOLVED that, in accordance with Standing Order 76, this House appoints a Standing House Committee charged with the duty to make recommendations to the House in respect of :

- (a) matters affecting the working conditions, comfort and facilities for Members during meetings of the House;
- (b) matters affecting the working condition, comfort and facilities for the staff of the House;
- (c) the operation and maintenance of the library of the House, and the provision of research facilities;
- (d) the maintenance, upkeep, furnishing and equipment of the Legislative Assembly Building.

BE IT FURTHER RESOLVED that the Standing House Committee shall comprise five elected Members one of whom will be elected by the Members of the Committee as Chairman, and one as Deputy Chairman.

AND BE IT FURTHER RESOLVED that the quorum for the Committee shall be three Members of the Committee including the Chairman or Deputy Chairman."

The Speaker: I will now ask for nominations to the Standing House Committee.

Mrs. Edna M. Moyle: Mr. Speaker, I beg to nominate the following persons to the Standing House Committee:

1. Miss Heather Bodden
2. Dr. Frank McField
3. Mrs. Julianna O'Connor-Connolly
4. Mr. Linford Pierson
5. Mr. Roy Bodden.

Hon. W. McKeeva Bush: Mr. Speaker, I beg to second the nominations.

The Speaker: Five Members have been duly nominated and seconded. I declare these Members elected as members of the Standing House Committee, and I will ask that they appoint a Chairman at their first meeting under the guidance of the longest serving Member of this Honourable Legislature.

The next order of Business is Government Motion No. 3, Advance Expenditure prior to the Appropriation Bill, 1997.

The Honourable Third Official Member.

GOVERNMENT MOTION NO. 3

ADVANCE EXPENDITURE PRIOR TO THE APPROPRIATION BILL, 1997

Hon. George A. McCarthy: Mr. Speaker, I beg to move Government Motion No. 3 dealing with Advance Expenditure prior to the Appropriation Bill, 1997.

I would like to preface the terms of the Motion with the following remarks.

As this is an election year, the Budget for 1997 will not be presented to this House until March of next year. As a result, this Motion seeks to obtain the necessary authority in order to incur the expenditure by various Government Departments for the period the 1st of January until the Budget is presented, which should be before the 31st of March.

The sum total being requested here represents approximately one-quarter of the 1996 Recurrent Budget, however a sum of \$3.5 million is also being sought under Capital. This is to cover, in part, expenditures relating to continuing projects which will be carried over from 1996, and will be kept into 1997. These projects will be kept active until the Budget is presented.

The terms of the Motion are:

"BE IT RESOLVED that this House, acting in accordance with the provisions of section 7(1) of the Public Finance and Audit Law, 1985, in advance of an Appropriation Law, authorises the expenditure of CI\$48,227,917 for the services of the Government in respect of the 1997 financial year, the sum to be charged on revenue in accordance with the Public Finance and Audit Law, 1985, and to be used for the purposes detailed in the Schedule –

OFFICE OF THE GOVERNOR

Head 01. His Excellency the Governor	\$ 111,198
Head 02. Cayman Islands Audit Office	135,775
Head 03. Judicial	604,661

PORTFOLIO OF INTERNAL & EXTERNAL AFFAIRS

Head 04. Internal & External Affairs	\$ 300,065
Head 05. Immigration	670,428
Head 06. Police	2,548,507
Head 07. Prison	984,336
Head 08. Personnel	1,315,180
Head 09. Sister Islands Administration	724,297
Head 10. Legislative	391,544
Head 11. Information Broadcasting	299,212

PORTFOLIO OF LEGAL AFFAIRS

Head 12. Legal Affairs	\$ 444,372
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PORTFOLIO OF FINANCE AND DEVELOPMENT

Head 13. Portfolio of Finance and Development	\$ 6,211,972
Head 14. Financial Services Supervision	NIL

The reason for this 'Nil' provision is because the Financial Services Supervision together with the Currency Board are being rolled up into the Monetary Authority which will become operational as at first of January, 1997. Accordingly, this \$6.2 million includes approximately \$1.3 million which will be going towards the Authority, also the Stock Exchange.

Specifically, inclusive in the sum for Finance and Development is approximately \$941,000, as I mentioned earlier. Of this, approximately \$689,000 will be to meet the expenditure relating to ongoing operational costs, while \$252,350 will be to cover the cost of furnishings; \$390,733 is being provided in order to fund the operational cost of the setting up of the Stock Exchange. These two amounts total \$1.3 million, which is included in that sum.

Approval is being sought for:

Head 15. Customs	\$ 783,423
Head 16. General Registry and Shipping	260,497
Head 17. Economics and Statistics Office	138,904
Head 18. Treasury	3,236,722

MINISTRY OF TOURISM AVIATION & TRADE

Head 19. Ministry of Tourism, Aviation & Trade	\$ 279,162
Head 20. Fire	1,023,959
Head 21. Tourism	4,306,894

COMMUNITY DEVELOPMENT SPORTS, WOMEN & YOUTH AFFAIRS & CULTURE

Head 22. Ministry of Community Development, Sports Women & Youth Affairs & Culture	\$ 1,746,158
Head 23. Social Services	1,685,963
Head 24. Human Resources	98,751

MINISTRY OF HEALTH, DRUG ABUSE PREVENTION AND REHABILITATION

Head 25. Ministry of Health, Drug Abuse Prevention and Rehabilitation	\$ 536,564
Head 26. Health Services	4,243,310

MINISTRY OF AGRICULTURE, ENVIRONMENT, COMMUNICATIONS AND WORKS

Head 27. Ministry of Agriculture, Environment, Communications and Works	\$ 367,924
Head 28. Agriculture	500,967
Head 29. Environment	230,453
Head 30. Environmental Health	1,019,267
Head 31. Mosquito Research and Control	541,099
Head 32. Lands and Survey	666,544
Head 33. Postal	482,682
Head 34. Public Works	1,658,740
Head 35. DVES	244,571

MINISTRY OF EDUCATION AND PLANNING

Head 36. Ministry of Education and Planning	\$ 610,507
Head 37. Planning	358,087
Head 38. Education	4,965,022

Total Recurrent Expenditure \$44,727,917

To be allocated under various items appearing under Capital Acquisition is a total of \$1 million, and under Capital Development, \$2,500,000. The sum that is being sought is \$3.5 million under Capital. The total recurrent from Capital Expenditure requirements, for which approval is being sought at this time, amounts to \$48,227,917.

A Member asked earlier if an update on Government's financial position would be given at this time. It is not normal for this to be done at the seeking of approval for allowing an advanced warrant in relation to expenditure in the subsequent year. However, there will be a meeting of Finance Committee which will be held, hopefully within the next fortnight. At that time, all of the information being sought by the Members of this Honourable House will be provided.

Thank you.

The Speaker: Government Motion No. 3, has been duly moved and is now open for debate.

Mr. Roy Boddén.

Mr. Roy Boddén: Thank you, Mr. Speaker.

Notwithstanding that this is an election year, and it is customary for these kinds of advanced accounts to be requested, I have to remark that in my tenure, sir, this has been the largest such request.

I also wish to say that it is unfortunate that, having such short notice, we have been requested to vote these funds, when we do not know what the current financial position is. I want to say that, responsibly, I have to vote this request; but I want to make my position known: My support in no way means that this is the kind of behaviour that I am prepared to tolerate in the future.

I will recognise that the Government must be in a position to continue, and that March is still some months away and we have commitments. I, again, take this opportunity to say that we in the Cayman Islands Government must seek to change our system from a cash system to an accrual system if we are to get better and sounder financial management.

That is my position. I have echoed that before. Indeed, in the previous Parliament I brought a Motion to the House. I lay out this as a challenge to the National Team Government to seriously consider in the upcoming Budget Session.

Thank you, Mr. Speaker.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Thank you, Mr. Speaker. I will briefly comment on this Motion, and in so doing I would

like to say that I support the Motion. I am quite aware of the procedure that has to be followed, having been a Member of Executive Council myself, and also a Deputy Financial Secretary.

I am comforted by the fact that the Honourable Third Official Member has given the assurance that the official financial position of this Government will be given in a fortnight's time in Finance Committee, since there have, indeed, been so many versions of what the correct financial position is.

In providing that information I would hope to see the adjusted Surplus and Deficit Account, which would include the amendments recommended by the Auditor General in his Report on the 1995 Accounts, as well as the true position of the General Reserves and the public debt figure.

There are just one or two items which concern me. Under the Portfolio of Finance and Development, item 18: I am somewhat concerned as to what the \$3.2 million represent, and whether that is, in fact, to cover the overdraft position of Government. Item 38, under the Ministry of Education and Aviation, of almost \$5 million also creates some concern.

I am surprised that we are asking for additional funds of \$44 million when Government has been telling the public that they have some \$60.3 million in recurrent surplus. I thought it would have been very easy to have taken \$44 million from that.

Nonetheless, I am pleased to support this Motion.

The Speaker: The Honourable Minister for Education and Planning.

Hon. Truman M. Boddén: Thank you, Mr. Speaker.

I shall be short. I will deal first with the points that have been raised. First, this House has just been convened for a matter of an hour and a half. Therefore, to the Third Elected Member for Bodden Town, there could be no more notice given because there was no House to give notice to. There were no Members of the Legislative Assembly. Taking the point on notice, this is now an impossibility. I mention that to the Member.

This is not, as the Third Elected Member for George Town said, 'extra money'. All this is, is an appropriation into next year, because there will be no Legislative Assembly and no budget coming until February. If this is not voted, then there is no money to pay civil servants or to do anything else. It is not 'extra money'. This is a part of next year's budget, and it will be for the first quarter, because during that period we will be able to bring the budget, in February, possibly.

It is not unusual, Mr. Speaker. This is done every four years at this time, and it is a common sense approach. You have no money for the first quarter of the year. What are you going to pay civil servants with?

Beyond that, what is normally done, and this was a matter for the Honourable Financial Secretary, is that a quarter's amount of money is appropriated from January to 31st March. It is not extra money.

The Speaker: Thank you.

Is there any further debate? The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Thank you, Mr. Speaker.

I rise in support of this Motion also. I would merely like to make a brief comment. I would anticipate a larger vote for the Sister Islands Administration for the last three-quarters of the year. I trust that the indication for the first quarter is by no means a fraction of the annual allocation.

The Speaker: The Honourable Third Elected Member of Executive Council.

Hon. John B. McLean: Thank you, Mr. Speaker.

First of all, let me publicly welcome you to the Chair. I look forward to working with you for the next four years.

Mr. Speaker, the Motion before us to deal with the finances of this country is nothing new. Unless certain Members believe that the Government should shut down right now and not continue.... It is unfortunate that this sort of attitude is displayed in our very first meeting. I think it shows us the trend they will go on. The Third Elected Member for Bodden Town has been in here a long time, and should realise by now that when there is a change in Government we have a gap that has to be dealt with.

I would like to commend the Honourable Financial Secretary for coming forward with this Motion allowing the services of this country to continue. At this point in time we cannot afford to do anything which will rock the boat. I trust and hope that from now on what we are trying to do here will be understood, and that we will not have a repeat of this, especially on the first day.

The Speaker: If there is no debate, I shall put the question. Those in favour please say Aye...Those against No.

AYES.

The Speaker: The Ayes have it.

AGREED. GOVERNMENT MOTION NO. 3 PASSED.

The Speaker: Before I call for a motion for the adjournment, I would like to express my appreciation on behalf of the House to those in the public gallery for their kind attention, and for the good behaviour we have seen here today.

I ask the Honourable First Official Member if he would move the adjournment.

ADJOURNMENT

Hon. James M. Ryan: Thank you, Mr. Speaker.

I beg to move that this Honourable House do now adjourn Sine Die.

The Speaker: The question is that the House do now adjourn. But before I put the question, I am sure that Honourable Members would like to take this opportunity, some in making their first speech in this Legislative Assembly, to express their appreciation. At this time I would like to give that opportunity to any Member who wishes to speak.

The Third Elected Member for Bodden Town.

Mr. Roy Bodden: Thank you, Mr. Speaker.

I would like to welcome you to your new and exalted position, and to pledge my support and cooperation. You will recall that in an earlier Parliament, I supported you for the position of Deputy Speaker. I hold you in the highest regard, and you can expect my conduct to be of such a nature.

I would like to begin by thanking God for giving me the grace, the strength and the will to once again put myself in the position to come forward to represent my people. Secondly, I would like to thank the people of Bodden Town who displayed wisdom, good sense and confidence in my service. I would like to say that I will continue, with God's help, to serve them to the best of my ability. I look forward to working to bring them the best representation I can.

My position in this Legislative Assembly at this time is a little different from four years ago, but I have to proclaim at the outset that I see myself as an Opposition Member. In the Westminster System, the position of Opposition Member (Her Majesty's Loyal Opposition is how it is referred to) is a very important position because it is the Opposition that holds the Government to account.

I am but an ordinary Member of the Legislative Assembly, and I can only convey to the Government the requests, wishes and desires of my constituents. I shall continue to do that, as I have in the past. It is up to the Government whether these requests will be granted.

I have, in the past, carried out my duties responsibly with dignity and decorum. I intend to continue that. I intend to argue when it is necessary, and to conduct myself within the confines and parameters of civil debate. But I do not for one moment promise anyone that I am going to cave in and be run rough-shod over, irrespective of the numbers the Government has. I have never been afraid of putting forward my point of argument, even when it was unpopular. I shall always continue to stand for what I believe is right and proper.

We have just finished a taxing election campaign in which we had the full gamut of all things, such as mudslinging and personal castigation. At one stage we even had the masquerading of a rat! I do not know what significance that bore in the ability or inability of a person or persons to be selected to represent constituents in Parliament. I suppose to some it was intended to be humorous. I have to say that I do not have such a

puerile sense of humour. I take the dimmest view of such tomfoolery.

I reserve my most serious comment, however, for that kind of action which leads one to destroy paraphernalia and aids of others. In a system which touts responsibility, I have to wonder if we are going to tolerate such behaviour, irrespective of not wanting our opponents to win. I want to be clear and unequivocal that I view this kind of malicious behaviour as but the beginning of political violence, and I want to say that I cannot stand to condone that kind of behaviour.

I believe that as educated, responsible, upright people who set ourselves up for leadership, we have to find more sensible and acceptable ways of expressing our dislike or opposition to people who stand and vie for the same office.

The Caribbean is scattered rife with examples of political behaviour which we should not emulate. I say that there is no office in the land worth our making those kinds of sacrifices. I hope that it is the beginning and the end.

We all tout that we are a democracy. I believe that we are, irrespective of the differences of opinion among us. But I have to express my concern that the issues which I believe affect this country going into the 21st Century were only aired by a few. Certainly, this election campaign should have been fought on a far broader number of issues than it was. Maybe the National Team knew something that the rest of us did not know when they fought the campaign solely on their record of the past four years; while, at the same time, left issues which beg answers for the future unspoken of.

I am talking about issues that we often hear about, like corruption in society, dredging, the reckless spending and fiscal responsibility of the Government, short notice on Bills, intimidation, and the politicisation of the Civil Service. In my opinion, far too little attention was paid to these issues in the last election.

We can see that the composition of Standing Committees, as far as the Parliament is concerned, shows no change - because the Public Accounts Committee which, according to *Erskine May*, should be headed by an Opposition Member, has no opposition Member in it.

We, as Elected Members, have to find a way to work with the Government; but the responsibility goes beyond the precincts of this Parliament and, indeed, great responsibility lies with the media. Somebody called it the 'fourth estate'. I am disillusioned at the coverage and the obvious bias of the media during the last campaign. I would hasten to say, particularly the printed media. We cannot have a thriving democracy if bias and disregard is exhibited toward some element. Whether some people think they are fringe elements or not, as long as they operate within the confines of the law, they deserve to be mentioned and not taken for granted.

Like many other Members in this Chamber this morning, I was somewhat surprised by what I call the banishing of the previous Speaker. We were under the impression that a situation existed where things would

have been different. I can only say that I hope it was not as a result of high-handedness on the part of the National Team or any other entity. Mr. Speaker, I look forward with interest to a sensible and acceptable explanation. I think the country is owed such.

In the final analysis let me conclude with a Biblical reference: The prophet Habakkuk lived in a time much like our own. Public corruption, social injustice and chaotic violence were the order of the day. In frustration he pleaded to God for some clarity and direction. He climbed up a tower to wait and to listen until he finally heard a clear word. The prophet wrote, and I am quoting from Habakkuk 2:2-3 (The Revised Standard Version), "And the LORD answered me, and said, 'Write the Vision, and make it plain upon tablets, that he [or she] may run who reads it. For still, the vision awaits its time. It hastens to the end. It will not lie. If it seems slow, wait for it; it will surely come. It will not delay.'"

"The vision awaits its time..." Today the visions we most need have not yet appeared, or have appeared but have been snuffed out. The next four years will prove that the National Team Government is not what this country deserves.

Thank you.

The Speaker: The First Elected Member of Executive Council.

Hon. W. McKeever Bush: Mr. Speaker, perhaps I can declare myself too. I am a Minister of the Government.

Once again, the people of these islands have spoken - and very loudly, indeed! They have given all of us the opportunity to serve them for four long years. The voice of the people is the voice of God. This is a great privilege given to us, but an awesome responsibility. It means and demands nothing less than the giving of the whole self.

Regardless of what is said, we live in a wonderful country. The great Creator has richly blessed our Cayman Islands. In a time of strained nerves, we forgot about our democratic process and, significantly, no guns were shot, no tanks rolled in the streets, no demonstrations, except for symbolic sweeping of streets - meaning a clean sweep for that particular district.

Yes, in these times our people are a blessed people. While some tension was in the air at times, we must now all move forward to forget the campaign and build the bridges to the 21st Century and prepare our people, this country, for the 21st Century.

Fifteen of us, chosen as we are, must now do the things we promised. We must do it without interference of selfish agendas.

I want to thank those Members who elected me once again to serve as one of the Ministers. I promise this House and these islands to work as hard in the next four years as I did in the past. But we must join hands and work together. This is what it will take to cure those problems spoken of.

From where I stand, there are several major issues which must and will be addressed as a priority in my

Ministry. Training - We must complete our plans and begin a joint Ministerial strategy to train our people to meet the needs of the future. This strategy will continue in partnership with the private sector, but one and all must understand that we must do what is necessary to train those Caymanians who are handicapped in their upward mobility.

Housing - We must come to grips with several schemes to afford our people in the lower income bracket the chance of owning a home. Mr. Speaker, I know what it is to need good shelter; I know what it is to be under a leaky roof. God willing, and with the help of the National Team and the independents in the House, regardless of political flair, we will continue to build schemes to assist our people.

In Culture, we will make the necessary changes so that our culture is not overshadowed by any other so that our people are more aware of it. This includes the completion of the writing of a new history of these islands for which preparation was recently started.

There is the expectation of better wages in the hotel industry. No longer should anyone expect to pay \$2.90, or \$3.90 per hour for ten years without a raise. This will be rectified. The Minimum Wage Advisory Committee, which was set up some time ago, will continue its work on this matter soon. Coupled with that will be an initiative to stop the blatant stealing of gratuities which belong to our people. This has been a rough road for my Ministry and the Government, but we will do what is necessary to come to grips with it. I invite, not only our Backbenchers, but all Members to join hands in this matter.

We will address the needs and changes that will be highlighted in the study on the Caymanian family and the crime study which has been completed. The Sports Office will be restructured into a Sports and Recreation Department. More emphasis will be placed on the maintaining of sporting facilities and enhancement of programmes. We will seek to secure the financial assistance now given to our elderly by putting in place a Law to guarantee its continuance.

These are the major priorities of my Ministry over the next four years. These are the bread-and-butter issues of this country; ones that we must not neglect.

In the broader scheme of things, and for those issues which do not fall within my Ministry, is an Immigration Policy that seeks to satisfy our people both in the protection of their business and safeguarding these islands for the future; a policy which also contains common sense and is humane to those who must live here amongst us. I hope that a Committee of this House will be put in place early next year to take on this task.

I also will do what I can to support the Governor and the Civil Service in the public sector reform, or the 'Re-invention' (as it is better called) that is taking place at this time.

I believe that we have good civil servants. Whether I can get along with anyone in particular is not the important matter. But what counts is that performance is given to these islands for the job before the Civil

Service. They always have my support and they will continue to have it. Where changes need to be made, they will have to be made.

I believe that we do have to thank God that we do have such a high calibre of people in our Civil Service in middle management, mainly, and in the top bracket. Of course, they could not do their job without those at the lower level.

The specter of dredging has not only caused in this House... and I am not going to refer to anything anybody said anymore than this particular matter. When it came down to the closing days of the campaign in West Bay, there were some dirty tactics, as usual. Not only in West Bay, it was seen all over. The perpetrators know who they are, but they did not hurt us because the people of this country know truth from fiction. As the old people used to say, they know who is who - who they can trust from who they cannot. People spoke in loud terms in my constituency.

As for dredging, I do not know where they are going to get fill from, or how they will carry on development. Those of us, and I include myself now, who are against it will have to come to grips with it. But it will not be the North Sound that will be dredged. The Governor has said that from a long time ago. The National Team made it a campaign promise, and we will retain that. My constituency would be the hardest hit in any catastrophe emanating from damage in that North Sound. So let one and all understand where McKeever Bush sits on this issue. I have never been afraid to say what I believe and to stand up for what I believe in. They will have to come to grips with what they want done in development.

I also have a dream to see these islands become what I term the Hong Kong of the Caribbean in terms of business. We will continue putting in place the structures which we already started, such as the Stock Exchange and the Monetary Authority; beefing up our regulatory systems to assure the International Business Community that we are serious about quality business.

Certainly, in building for the 21st Century we must follow some kind of plan, that is, short-term, medium-term or long-term, that we can realistically work toward. Last, but certainly not least, we must put our heads together to come up with ways and means of finding revenue to supply all of the needs of the people. This is, perhaps, one of our greatest challenges, for who can deny the people of these islands roads? Who can deny schools? Who can deny medical and recreational facilities? All of these things call for money. Prioritise, they say. We will wait and see who comes with the longest shopping list.

These are the challenges that lie ahead, as far as I am concerned. It is our job to enlist the will of the people so that they understand what it is that we are doing for them, and so that we can take them along with us. Yes, there will be challenging times ahead.

I wish to express my deepest gratitude for the confidence that the people of West Bay put in me. To get 77.5% of the votes cast says something about a record. I do not want to do any less in the next four

years than I have in the past 12. I will not let the people of West Bay down, nor will I shy away from the responsibility to assist in the governance of these islands through this Executive Council. My door will always be open. I will always be the same McKeever Bush. There is a tremendous amount of work to be done. We must now get on with it.

I pray to God, too, Mr. Speaker and Honourable Members, that "swords will be turned into pruning hooks." As for me, "The woods are lonely," sometimes, "dark and deep. But I have promises to keep, and miles to go before I sleep. Miles to go before I sleep."

Thank you for your indulgence, and I thank all Members for supporting me for this Executive Council.

The Speaker: The Third Elected Member for West Bay.

Mr. John D. Jefferson, Jr: Thank you, Mr. Speaker.

First of all, let me offer my congratulations to you, Mr. Speaker, on your election as Speaker of this Honourable House. I believe that with your knowledge and experience, and your sense of fair play, you will do an outstanding job as Speaker. I look forward to working along with you over the next four years in this Parliament.

I also want to say thanks to our former Speaker, Mrs. Sybil McLaughlin, for her six years as Speaker; and also to say what an outstanding job she did while serving in that exalted position. I want to say to Mrs. McLaughlin, that I wish her all the best in her future endeavours, and may God continue to bless her richly.

I also want to say a big 'thank you' to the people of West Bay for electing me for a third term as one of their representatives and for re-electing our team as a whole. I want to say that I am proud of the people of West Bay for their loyalty and the confidence they have shown in our National Team Members for West Bay. I promise my people of West Bay that I will continue to work together with the National Team and our Team from West Bay, to look out for their interests and to provide the services that we need as a district and a country as a whole.

I also want to say thanks to the Caymanian people who have spoken so loudly in this election in re-electing a majority of the National Team members. This enabled us to once again put together a Government to lead this country in the right direction. I also want to acknowledge my three National Team colleagues, Mrs. Berna Thompson-Murphy, Dr. Steve Tomlinson and Mr. Tony Powell who were not successful at the polls. We still regard them as members of the National Team. I trust that they will continue to be part of the team and they are welcome to do that over the next four years.

I want to also say a special thank you to Mrs. Murphy and Dr. Tomlinson for their valuable contribution to our National Team as elected members for the constituency of George Town and the country as a whole over the past four years.

I want to give a very special welcome to our two new Members of this House, namely, Mrs. Julianna O'Connor-Connolly and Dr. Frank McField. I look

forward to working with you over the next four years as we continue to lead this country in the right direction.

I also want to give special congratulations to my colleagues of the National Team who have been elected as Ministers of Executive Council. I look forward to working along with them and the rest of the team to meet the many challenges this country has before it, to ensure that the interests of our people are promoted and protected.

In closing, let me wish for all Honourable Members and their families, and for the good people of Cayman, a very blessed and safe holiday season; may God continue to bless these Cayman Islands.

Thank you, Mr. Speaker.

The Speaker: The First Elected Member for Cayman Brac and Little Cayman.

Mrs. Julianna O'Connor-Connolly: Thank you, Mr. Speaker.

I would also like to extend a very warm welcome to you and to pledge to you my full support throughout this four year term.

I am, indeed, delighted and honoured to rise in this Honourable House as the First Elected Member for Cayman Brac and Little Cayman. I sincerely thank the people of Cayman Brac and Little Cayman for affording me this honour and wonderful privilege to serve them.

Being the first woman elected from my district, makes today not only an exciting day for me, but we are experiencing an historical day. I am eternally grateful to my Heavenly Father who made this day possible, and for the many prayers that strengthened me during a most difficult campaign.

To my son, Kamal, and my daughter, Kimberly, I am forever grateful and indebted for their love and patience demonstrated, particularly during the last five weeks. I pray that today's events will serve as a catalyst and a reminder for them to see that dreams do come true, and that in general all Caymanians, if not before, will now start to believe in themselves to set goals and not to ever let anyone steal their dreams. Remember, it matters not from whence you came, but where you are going. It matters not how rough the road is, just keep your dreams alive. Work hard, and with dedication, dreams do come true.

Mr. Speaker, I also would like to extend my heartfelt thanks to my determined and dedicated Chairman, Mr. Temple Tatum Jr., and to my hardworking committee members. Special thanks to the many persons who graciously nominated me on nomination day for their unquestionable commitment and stamina. My presence here today in this Honourable House is absolute proof that if God is for you, no one can be against you. No matter how minute or how gigantic, it is not ours to fight, but the Lord's.

I also wish to congratulate all Honourable Members here today. I challenge each one to place his trust in God and to daily seek His divine guidance, wisdom, knowledge and understanding as we move towards a

bright and positive 21st Century. Let us all humble ourselves before the King of Kings and Lord of Lords; and let us make our requests and petitions known to Him so that together, as an Honourable Parliament, we can formulate the best possible vision as we move into the 21st Century.

As a freshman in this Honourable House, it is my desire that we all work together in love, harmony and unity for the good of our beloved Cayman Islands. Let us stand in the gap, unite, be friendly, firm, and in so doing let us preserve our integrity and thereby present ourselves as shining examples, unblemished for our people and, in particular, our children - the future leaders of tomorrow. Let us all adhere to the conviction of the late John F. Kennedy, and first and foremost ask what we can do for this, our beloved, Cayman Islands, and not ever become submerged in what the country can do for us.

It has been my experience that blame is a destructive vehicle, which, if developed, will take you further than you wish to go. Blame divides and never unites; blame destroys and never builds; blame defames and never edifies. Let us all dare to be brave and free, and may God bless each one in this Honourable House.

The Speaker: The Member for North Side.

Mrs. Edna M. Moyle: Thank you, Mr. Speaker.

I would also like to add my congratulations to you on your appointment as Speaker of this Honourable House. Having been appointed as your deputy, I promise that I will work together with you for this Legislative Assembly in these islands. While I congratulate you, I would also like to thank the past Speaker, Mrs. Sybil McLaughlin, for her dedication and commitment to this Parliament over the years.

Mrs. McLaughlin has been a role model to me, and I thank her for her guidance over the past four years. I look forward to working with her on the outside.

I, too, would like to congratulate the Ministers who have been elected this morning and to say to each one, carry out your duties for the entire Cayman Islands, as you have done over the past four years.

I would like to thank my supporters in the district of North Side who stood beside me through one of the nastiest campaigns that has ever been fought in my district. It was nasty because it did not deal with my track record, it did not deal with issues; it was a personal attack on my character. I say, as did the First Elected Member for Cayman Brac and Little Cayman, if God is with you who can be against you.

Today we have in this Parliament people who have already declared themselves Her Majesty's Loyal Opposition. I say that for any Parliament to operate properly there must be Opposition. But I say to them, remember, we are all representing the same people - the people of the Cayman Islands. So we do not need Opposition for the sake of Opposition. I ask and impress upon you, let us have constructive Opposition to move this country forward.

I say to the people of North Side, to those who supported me, I am here for you; to those who did not support me, that was your democratic right, but I am still here to represent you. Your needs will be dealt with by me as a priority as I did over the past four years.

Thank you, Mr. Speaker, and may God bless every Member of this Legislative Assembly.

The Speaker: Thank you.

The Fourth Elected Member for West Bay.

Mr. D. Dalmain Ebanks: Thank you, Mr. Speaker. I also want to congratulate you on your new position. I wish you all the success I can, and I feel that this Honourable House will give you all the support and help that you will need.

The election is over now. I want to thank the people of West Bay for having the confidence in me to return me to serve them in this House. I do not think a person can enjoy a higher honour than to be appointed by the people to serve them. I feel honoured today.

We are going into the 21st Century. I hope that we will be able to carry on in the way that we did over the past four years, or even better. I hope that we will not be lambasted all of the time, but that help will come from the Opposition. I beg them to join hands with us as we push forward for a better and happier Cayman Islands.

I do not see why it cannot be done. Although we each have our own opinion, we all seek the same goal, that is, a better Cayman Islands. To attain that we will all have to unite and fight for the betterment of these islands. I will give an illustration of what unity means: During World War II the United States and Great Britain fought a hard battle against the tyrant Hitler. It looked as if victory was up for grabs on either side. Do you know what happened? There was another nation standing by watching, and it did not want Hitler to win. That was Russia, which was a Communist country. Russia joined hands with the United States and Great Britain and the war was won.

So, I am asking each and everyone here to join hands today as we move forward into the 21st Century with our beloved Cayman Islands.

The Speaker: The Second Elected Member for Bodden Town.

Miss Heather D. Bodden: Thank you, Mr. Speaker. I also offer my congratulations to you. I am sure that the people of Cayman Brac and Little Cayman must be very proud of you today. May God guide the Members and Ministers of Executive Council for the next four years.

It has almost been exactly one year since I stood before this Honourable House to be sworn in following the 1995 by-election in Bodden Town. I am honoured to once again stand here knowing that the people of my district put their trust in me for a further four years. As the second woman from Bodden Town to be elected to the Legislative Assembly, I would like to say that no mission could be of greater importance to me than that

of serving my constituents. It is a mission which I pledge to fulfill with honesty, integrity and complete dedication.

I said one year ago, and I will say it again today, not just to those people who voted for me, that you can count on me. I would also like to say that I have not reached this milestone solely on my own efforts. Had it not been for the encouragement and support of my family and friends I could not stand before you today. To my mother and father, my sisters, nieces, nephews, aunt and uncles, and to a lady who has been like my second mother, Mrs. Kadie Ebanks, let me say 'thank you' from the bottom of my heart. Because you stood by me, encouraged me and believed in me, I had the strength I needed to keep on going.

I am also extremely grateful to the members of my campaign committee. All the members showed so much enthusiasm and dedication throughout the entire campaign. I often wondered where they got their energy. Fortunately, it was contagious.

A special thanks goes to Mrs. Cecile Panton and Mr. Olsen Levy for nominating me.

My deep gratitude to the National Team Members is very much in order. Since first taking office a year ago, I have found their support to be invaluable. It has been truly gratifying for me to go through this campaign with such a unified group of people. Together we have pursued the same goal, that of making these islands better through vision, dedication and, most of all, team work.

I am truly grateful for the opportunity to continue what we have started. Our country has made significant strides in the past several years on both the economic and social fronts. This election was in many ways a show of confidence in the progress that has been achieved and the desire to see this forward movement continue.

Throughout the election campaign it was particularly heartening to see the younger generation taking such great interest in the future of these islands. For me, it was a very rewarding experience to have so many young people at my side, and to understand the depth of their commitment to this country. They are the future. I hope that in many ways I can serve as a role model for them.

I want to give them every encouragement to stay involved and to work in their communities for the betterment of these islands. You do not have to be in the public eye to make a difference. No matter how busy, everyone can contribute something. I am reminded of the song which says "If everyone lit just one candle what a bright, bright world this would be."

Also at my side throughout this campaign were a number of very remarkable senior citizens whose energy is a tremendous inspiration to our young people. Young and old came together during this election. It is a testimony to the strength of Caymanian society that they all stood on common ground.

I believe that this election also showed very clearly that Caymanians do not just judge candidates by the strength of their political track record, but by the strength

of their character. This election also showed that the people of these islands uphold and respect the qualities of honesty, fairness, caring and concern for others.

Mr. Speaker, there is much work to be done, but I feel confident that the women and men of these Islands have chosen wisely with their votes. We, as members of the National Team, will be working on a strong action plan as shown in our Manifesto, which the citizens of these islands have endorsed with their votes.

We must also work with the other Elected Members in a spirit of cooperation and harmony.

I would like to close by saying that I am honoured by the privilege afforded before me. I look forward to serving the people of these islands and my district for the next four years.

Thank you, and may God bless this Honourable House.

The Speaker: The Fourth Elected Member for George Town.

Dr. Frank McField: Mr. Speaker, Honourable Members, Members of the Executive Council, Members of the Legislative Assembly, the Clerks, ladies and gentlemen in the gallery, my mother, my wife, I would like to begin by saying that I, too, thank the Almighty God for having given me this opportunity. I shall be very conservative in the way I boast the name of the Almighty God because in these days people all seem to be giving credit to God, but their behaviour does not reflect that they truly believe this.

I would also like to congratulate you, Mr. Speaker, on your appointment in this Honourable House. I would also like to congratulate and thank Mrs. Sybil McLaughlin for having served these islands in that position. She certainly was an inspiration to me, who, for most of the time, listened to the debates from the public gallery.

I am not one who can explain all that happens in these islands. I do not understand why she is not in the Chair today, but other people have made that decision and I am here to work with what is here.

I would like to thank my mother very much, and I am happy that I have been able to make her proud. I would like to thank my wife for her support. I would like to thank my brothers and my sisters who were really my committee. Many people thought that I would not make this journey, but I have truly made it because of the blessings of the Almighty God. I think if there is anyone who has won who can attribute it to some type of miraculous effort, it is so in my particular case.

I would like to say to my colleagues who have declared themselves as Her Majesty's Loyal Opposition: Remember that I am here as an independent candidate, and that I cannot support any behaviour that I consider to be arrogant, untoward, and directly attributed to the fact that they are seeking power rather than seeking to serve the people. (*Some Hon. Members: Hear, hear!*) I think that we must clearly distinguish between those who

are willing to serve and those who are seeking power, because there is a total difference in conduct.

I am also an Elected Member of George Town. There are three others. This means that I will have to, and hope that I can, work along with the three other Elected Members of George Town, although I did not share their political Manifestos. If I am supposed to work with them, then I am also supposed to work along with the Elected Government, although I did not share their Manifestos.

I think that rather than declaring war we should vote for peace; we should be inspired by the decisions that the people have made and not arrogantly throw back in their faces the fact that we are not pleased with the decisions of the people. The people have spoken. Until we find a Government of this country abusing the power that the people have given them, I think that we should be very reluctant to begin war.

The guns have not stopped smoking and there are already people who appear to be having public meetings. I know that there are people who are also saying that my position as an independent candidate is not an independent position. There are countries in the world that are independent countries, but they are not independent because they are dependent on other people to get things done. There is no such thing as a truly independent position. There is no such thing as a truly independent person.

In regard to politics I will stand in this House and defend Members of the Government when I consider them to be right, and I will defend Members of the Opposition when I consider them to be right. But I will not defend arrogance. I will not defend a blind search for power.

It is obvious in this country that we do have political parties. I saw today in the public gallery members who have not put down their fight. It will continue for the next four years. Although the people rejected them at the polls, they are prepared to go out there and confront this Legislative Assembly and its opinions which means that they are acting as a political party.

I must refer particularly to Team Cayman. I must caution them, as I did previously, because my position was accepted as a result of my believing that the people would choose the National Team. I did not see how Team Cayman's political Manifesto made any sense to people. They must be aware that they are elected (whether or not they were elected with a small margin) to serve all of the people. It also means the people who voted for the National Team. I say that they should be very cautious.

I have never been a traitor. I have come to this House the hard way - through the streets of this Island, through the support of my mother, my wife, and my brothers and my sisters. I have come to this House as a result of suffering and tears, and I am not here to sell anyone out. I am not here to stand by and see petty politics destroy these islands. (*applause*) My message is not about being the Queen's loyal Opposition; it is that of being the loyal servant of the Queen. I took my oath

very seriously, and I made an oath to Queen Elizabeth II to uphold the position of the Governor of this Country and to uphold the position of the Members of Executive Council. Only when I can be convinced by evidence, not hearsay, that they are abusing these positions will I come out and say that I oppose them.

I would like to thank the Speaker for having accepted his position as Speaker, and to compliment the National Team at this particular point for the way in which they have conducted their campaign and for the way in which they seem to treat one another with warmth and respect. I think that maybe those people who are training themselves to take over this country should learn what loyalty and affection really are.

Thank you very much.

(Applause)

The Speaker: Thank you.

Does any other Member wish to speak? Hon. Anthony Eden.

Hon. Anthony Eden: Thank you, Mr. Speaker.

I would first of all like to thank God for giving me the strength to be here in this Honourable House. I would like to thank my family, my very devoted committee members and my people of Bodden Town who chose to send me back to represent them for four more years.

I would like to take this opportunity to congratulate you, Mr. Speaker, on the position you are now in. I know that the people of Cayman Brac will be very proud of you. You have ascended to one of the highest positions in these islands and have once more demonstrated the type of integrity you have.

I would also like to thank your predecessor, the Hon. Mrs. Sybil McLaughlin, for her diligence, and for the professional manner in which she served this Legislative Assembly and the Cayman Islands wherever she went. We must always look up to the leadership she demonstrated in these islands.

I would like to thank my colleagues in this Legislative Assembly for giving me another chance to sit on Executive Council. I think that the islands on a whole have seen what the National Team has done over the past four years. I would like to remind those who talk about Opposition that in a democracy, the majority of the people rule; and the people have once again spoken in no uncertain terms. We were successful in obtaining nine of the 12 seats we ran for. For those of you who are familiar with baseball, that works out to a batting average of a whopping 750. Compare that to the 110 batting average of Team Cayman. Someone like that would be sent right down to the minor leagues for improvement! *(laughter)*

As the previous speaker mentioned, I was a bit taken back by the tone set by the first speaker when he declared himself Her Majesty's Official Opposition. I would like to remind those who talk about Opposition that I remember four short years ago when one of their colleagues stood up in the Legislative Assembly and

declared himself the Official Opposition. That Member now sits on the outside looking in. I say that we are here to represent the Cayman Islands, not only our districts, but everybody. We come here to go forward.

Everyone talks about building for the 21st Century. We do not build something by criticising and tearing down. Let us unite and go back to what made Cayman one of the most outstanding countries in the world. We must unite with our families, go back to our God-fearing traditions. This can only be done by working together.

Thank you, Mr. Speaker.

The Speaker: The Third Elected Member for George Town.

Mr. Linford A. Pierson: Thank you, Mr. Speaker.

Let me first thank Almighty God for His guidance throughout the election campaign and for taking us this far. I trust and hope that all of the commitments we have heard here today from various professing Christians will be lived out in their daily lives. Also, I give a big thanks to my dear wife and family, and, indeed, to my loyal supporters and friends. It would be remiss of me to not mention my very hard-working committee for all of their efforts making this all possible for Mr. Kurt Tibbetts and me.

I trust and hope that I will prove to be worthy of the confidence and trust which has been placed in me by my people who have once again elected me as their representative. This is the third time that my people have bestowed this honour and privilege upon me and I can assure them that as in the past, I will serve them to the best of my ability.

I wish to congratulate you, Mr. Speaker, on your appointment as Speaker of this Honourable House. I look forward to working with you, as well as with my fellow Members of the Legislative Assembly, including the Elected Members of Government.

I must say, however, that it was very disappointing to learn from the evening news yesterday that Mrs. Sybil McLaughlin, MBE, would not be seeking re-election, as she is so well respected nationally and internationally. We would have been most fortunate to have had the use of her experience and knowledge for another four years. Nonetheless, I want you to know, Mr. Speaker, that you will have my full support in matters dealing with the House and, as in the past, you will have my respect. I will do whatever is within my power to make your job as easy as possible.

My three colleagues and I of the Democratic Alliance, are very pleased that we were able to stage a well planned and clean campaign. I am very sorry that we were not able to capture all four of the seats in George Town; but, to my two unsuccessful colleagues, I say that you made a very good showing and you have nothing to be embarrassed about. God willing, the Democratic Alliance will be a viable opposition in the future, as it is our intention to field candidates in all districts in the year 2000. It is a tradition in the Cayman Islands, as well as in the Caribbean and the rest of the

world, that Governments change every eight years. We would very much like to be part of the next Government.

Both Mr. Kurt Tibbetts' and my election in the George Town district was a clear message that the majority of registered voters supported the Democratic Alliance. We got a 50% success rate. I am not too sure about batting averages, but I know something about arithmetic. We are, therefore, proud to fulfill our role as the official Backbench supporters.

For those who may not be familiar with Parliamentary Procedure, I would like to mention that there is nothing wrong in having a good Opposition. A good Government depends upon a good Opposition. For anybody to paint a picture that an Opposition means that one is going to stand here and oppose everything that is brought to this House is painting a false picture and reflects a lack of knowledge.

We, that is Mr. Kurt Tibbetts and I, are proud to be a part of the Backbench Opposition considering that there are two types of Backbenchers: one is a Government Backbencher who supports the Government of the day, the other is an Opposition Backbencher. There is nothing wrong with such a system. We are also pleased that Mr. Roy Bodden has indicated his intention to be a Member of the Official Opposition.

I have heard a lot of things leveled at Mr. Bodden, the Third Elected Member for Bodden Town, but knowing the gentleman as I do, I feel that his intentions are pure.

I believe that I speak for the other Opposition Members when I say that our Opposition will be done with class and will be constructive. I can speak for myself when I say that I will not oppose for the sake of opposition. My record in this Honourable House is well known. This is not the first time I have sat here. Some of my colleagues from the past (1984-1988) can vouch that my opposition has always been constructive. There is no reason why I should change such an admirable track record. I will support issues which I feel are good for these islands, and I will oppose those which I feel are not good for our people.

While I realise that the new Government will set its own agenda, I nonetheless feel that there are certain issues which should be given top priority. I said earlier that I trust that the Honourable Financial Secretary will advise this House as soon as possible of the true financial position of Government in view of the many different versions floating around.

I also expect to see tangible proof from the Elected Government that a genuine and well thought out effort is being made by Government to reduce the cost of living in these islands. This is an issue that I will not allow to be pushed under the rug. There are other important issues which I feel must be given urgent attention including, but not limited to, the following: A complete revision and review of the Immigration Laws, Regulations and Directives. I am happy that the First Elected Minister of Executive Council has already given the assurance that he will be doing all in his power on

the question of affordable, low-cost housing for this country. This is a matter that I am happy will be given attention because of the number of homeless people and those living in sub-standard conditions in these islands.

A greater emphasis must also be given to developing our education system and in particular the technical and vocational skills in our schools so that all of our young people can have an equal chance to fill their rightful place in society.

Also, in view of the importance of tourism to these islands, I feel that a greater effort and emphasis is needed in marketing this sector more effectively. The protection of our Marine Environment is of paramount importance to the economic well being of these islands. Accordingly, an environmental assessment of the North Sound with terms of reference to include the impact of dredging within the Cayman Islands should be commissioned as a matter of urgency.

Urgent attention must also be given to preparing a suitable roads plan in order to address the increasing traffic problems in these islands. The moratorium lifted by the National Team Government in regard to further hotel development on the Seven Mile Beach should be put back in place as soon as possible.

Openness in Government is a big problem. There is a general feeling that the public is not being properly informed on a number of important issues. There is also a strong sentiment against Ministers of Government sitting on important boards both in the public and private sector.

On the question of Parliamentary privilege and immunity, I recommend that a committee be appointed to examine the many complaints coming from the public regarding the abuse of Parliamentary privilege. Members of the Legislative Assembly should not be allowed to maliciously defame the character of innocent members of the public who do not have the equal right of rebuttal; and who are not even able to take legal action against these perpetrators. The only criminal offence, of which I am aware, which marred an otherwise smooth election campaign (as alluded to by the Third Elected Member for Bodden Town), was the malicious destruction of the Democratic Alliance signs on Halloween night. What is really sad about this whole incident was that the children involved were allegedly instructed by an adult...

Hon. Truman M. Bodden: Mr. Speaker, on a point of order.

POINT OF ORDER

The Speaker: May I hear your point of order?

Hon. Truman M. Bodden: The point of order is that the Honourable Member has just said that people should not be maligned in here and named when they cannot defend themselves. He is getting up and dealing with a matter which I understand may be sub judice.

The Speaker: The purpose of this was to be tributes. I would deeply appreciate it if you would not go into matters that could be sub judice. I cannot say that it is, but I would appreciate if you would desist.

Mr. Linford A. Pierson: Thank you, Mr. Speaker. I am sorry that your time was wasted by a previous speaker, as I do not intend to - I have never done so, and never will - sit in this House to defame somebody's character as has been done by that Member in the past.

I just wanted to say on that particular point that I trust that this whole particular matter will not be swept under the carpet, but that the Legal Department will see that it is diligently pursued. While it is not wished for any Member to cause embarrassment to children involved, I feel that it is only fair to this country that the matter be pursued.

In closing, I wish to again thank all of my loyal supporters for once more electing me to this Honourable House. I certainly look forward to serving them and working along with my colleagues in this House, as well as with you, Mr. Speaker, for the next four years.

The Speaker: Does any other Member wish to speak?
The First Elected Member for George Town.

Mr. D. Kurt Tibbetts: Thank you, Mr. Speaker.

As have others, I wish to congratulate you on your appointment as the new Speaker of the House.

Let me say that I am deeply honoured to have been allowed the privilege to come back to this Honourable Legislative Assembly for a second term. I have listened to all of the previous speakers, and I paid very close attention to what the First Elected Member of Executive Council said about the many issues which he sees as important, needing to be dealt with immediately. It made me realise that regardless of where we sit in this Honourable House - as an opposing faction, an independent faction, or as part of the Government, that there are not really many philosophical differences. For that reason, I see much hope.

The issues he spoke about in his delivery were all, bar none, issues which I spoke about during the campaign. So there is hope, as I said before.

The people of this country have spoken and they have elected 15 of us. We sit here today. District by district, the National Team Government has been returned. Everyone of us has to respect the people's decision. The people also spoke in George Town, and there are four of us here who have been elected.

Let me quickly say that words fail me in properly expressing my appreciation for the confidence placed in me by the people of the district of George Town. I pray to God that I will be able to live up to their trust.

During the entire process there were times when I was a bit uncomfortable. I am not known to be one who thrives on confrontation and dealing with personalities. That is all over, Mr. Speaker. While I stand here, with all knowing my position, I say to all Honourable Members that even though we will have differences (and have had

differences), for the moment it is a time of healing. I wish for us to get on with the business of this country; I wish for us to do what is incumbent on us, which is to lead this country forward.

The Government will easily understand that I am a part of the check and balance. That is my responsibility. In 1992 when I was elected as an independent representative, my whole purpose was to be in the category of a watchdog. That has not changed. There will be times when I will strongly oppose things. That is just natural, and simply because we do not all look through the same looking glass. I wish for all to know that my sole purpose for being here is to simply play my part in ensuring that this country moves forward and that the people move with it.

I am most deeply saddened to know... and let me pause here, Mr. Speaker, to take you completely out of the picture because this has not reflection on you, sir... but I am deeply saddened to know that the former Speaker has not been re-appointed. I understand that the good little lady (I have not heard it, but I understand) did not seek re-appointment. That saddens me because I remember saying to her on the very last day of the September sitting before the House was prorogued, that she really had no idea how much effect she had on the lives of many of us. I wish to let her know today that I am truly sorry that the opportunity was not there for her to continue to have that great positive effect that she has had on my life in these Chambers.

Having said that, I can assure you that your life will be easy with the likes of me. You have no fear, sir.

To the people of the district of George Town, let me say that of the four representatives you now have, you have two that are with one group, one that is independent, and another who is a part of the Government which has been returned. My challenge today to all four of us, regardless of where we sit, is to ensure that when there are matters concerning our district, that we communicate and work hand-in-hand to ensure that the representation which we promised the people of the district continues in the right vein.

What I wish to challenge the Government with - and it will be for them to do so, not me - is to deal with the issues concerning our district in a fashion which is not covert. I do not wish to have to wonder about who gets credit for what, because that is not important. What is important is that it gets done. I want all of us to think about that, because while we each have to pave our own way, it is the greater good that will prevail when each of us goes away.

I said once before, and I am going to say it again: Let us deal with the affairs of this country in a forthright manner. We will never always all agree. The democratic process continues to make strides in this country, and I think it will continue to do so in the future. I have no fear of speaking my mind, and I have no worry about whether I should say something I do not want to say rather than saying what I think is right. I think we should all do that and the consensus of the majority will prevail.

To the people of the district of George Town, I again say thanks, thanks and more thanks. While speaking I have been trying to put the right words together, because I was indeed overwhelmed at the end of the day. I thought I had been a good enough representative to be returned, but I truly had no idea that the end results would have been the way they were. That is not for me to gloat over, that only adds more responsibility to the task.

I cannot forget my family who has suffered the torture of my not being there for many hours. I can only promise them that I will do the best I can to spend my time as wisely as I can while being the best representative that I can.

To the other Elected Members I can truthfully say that I congratulate them all. It was a good fight. Everybody had his personal choices. The people have spoken and I have always respected their wishes. May God continue to bless us; may He stay in our midst. As we all 'fight the good fight' may we remember that it is not what we become at the end of the day, but what the country becomes and what role we play to head it in the right direction.

(Applause)

The Speaker: The Honourable John McLean.

Hon. John B. McLean: Thank you, Mr. Speaker.

Let me first thank Almighty God for returning me here once again. Secondly, I take this opportunity to thank the people of East End who have once again shown that their confidence remains in John Bonwell McLean, Sr., OBE, JP.

I was indeed touched this morning when I could sit in the seat and look back at my colleagues well knowing that I was going to call upon them to vote for and elect somebody of your calibre to sit in the seat as Speaker of this Legislative Assembly. Let me say, as did my committee, you have served your country well. You have completed 16 years and, in my opinion, you are good for life. Mine was slightly different. They said I had served for 20 years and was good for life.

I would like to say to you, sir, that you have my support. If you would like to tap in on my experience at any time, I am most happy to work along with the Chair. My record here shows that, which brings me to the point where I would like to say that I would like to pay every good tribute to the past Speaker.

Mrs. McLaughlin and I go back a long way. When I came into this Legislative Assembly at the tender age of 26 years, she was the person here to tutor me. I look upon her today as a wonderful woman, somebody who has served this country well. I said no different when I spoke on her behalf quite recently when she was made a national hero. That was something which she deserved, and something of which the Cayman Islands can be justly proud.

So, while she is not here today, and she has been replaced, I can only recall the death of John F. Kennedy,

how in a couple of minutes he was replaced. In all of our sorrow, we can only look at this from a positive point of view, and let us take this country into the 21st Century.

As the longest serving Member in this Legislative Assembly, I have been very disappointed in the way this Parliament has started off. I am not blaming all the Members who have spoken. But I am going to be to the point and say that I am very disappointed in the remnants of the National Team Government. The people of this country have spoken... I am sorry, I mean Team Cayman. I apologise to this country for that, because I should not have made that mistake!

I am here to say that while we need Opposition in this House, we need fair Opposition. We do not need Opposition to sit in that corner and believe that everything this Government brings is wrong. The return of this Government was not because of the three Opposition Members sitting in that corner. If we had only gone along with their policies and their ideas, this country would have been worse than Jamaica today.

You know how most Americans say "God Bless America"? I say God Bless the Cayman Islands, because we did not have a team like Team Cayman take our people over. I heard my beloved friend in the corner, Mr. Roy Bodden, quoting scripture. Let me tell you something: I know scripture. Let me refer him and his team to Psalm 33:8 - "Let the earth fear the Lord. For he spake and it was done. He has commanded and it stood fast. The Lord bringeth the counsel of the heathen to naught. The counsel of the Lord standeth forever.". I trust that he can interpret that.

Thank God for the background of the people of this country, that they had enough foresight not to elect people like his colleagues.

This election was based on nothing but ridiculous attacks by that team I am talking about. Let me tell you that I can speak with authority on that because there was nobody as viciously attacked as John McLean. When they stooped to trying to defame me by showing a cheque which was not even connected with me, the people of this country have done this country justice in not electing them. *(Applause)*

Mr. Roy Bodden: Mr. Speaker, on a point of order.

POINT OF ORDER

The Speaker: May I hear your point of order?

Mr. Roy Bodden: The Honourable Minister speaking is misleading the House and causing malicious information to be spread. Is he saying that the cheque which allegedly bore his name was circulated by any Member of Team Cayman? My information was that the police have been unable to find the culprit.

I am asking you, sir, to ask that Honourable Minister to retract his allegation.

The Speaker: Honourable Minister, did you say a Member of Team Cayman? I did not understand it in that way.

Hon. John B. McLean: You, know, there was a Member who sat on that side sometime ago who bore the same surname as the Speaker today, that was the Honourable Charles Kirkconnell. He told me something that I will never forget. There is a Jamaican saying that when you throw a stone in a pen of swine, the one that hollers hardest is the one who got hit.

Let me say, with the greatest of respect to the Chair, my information tells me that every member of Team Cayman knew about that cheque. So the Member who just jumped to his feet is quite aware that when he heard it he also tried to use it. He was in my district running his mouth... and along with that, he was one of the Members who thought that he had out done me to run to the Governor. But his legs are not that long.

Mr. Roy Bodden: Mr. Speaker, I still stand by my point of order. Let me say that I had nothing to do with either the manufacture or the circulation of that document. I speak also on behalf of my colleagues. I challenge the Honourable Minister, if he has information to the contrary, to go to the Special Branch and let the law take its due process. Otherwise, please make him desist from his dangerous allegations.

The Speaker: Honourable Minister, could we move on to another point?

Hon. John B. McLean: Yes, Mr. Speaker. I give you the assurance that I have made my point. All I have to say is that I invite him and I invite Team Cayman to let us refer to the words of that great president, Mr. John F. Kennedy: "Ask not what your country can do for you; but what you can do for your country." I want them to compare their record with J.B. McLean's. They will see what I have done in my 20 years. I would like, instead of coming in here and starting off the way he has today, to instead speak to the people of Bodden Town in a decent way and show them that he is ready to work with the Government. *(Applause)*

I want my colleagues to see what we are in for over the next four years. A leopard never changes its spots. It is quite clear by his attitude today, that he intends to carry on in the same way. Let me say that our Government was not returned because we did not do a good job - we did a good job; and we will continue to do a good job. Each one of us on this side has projects which we need to continue.

At this point I would like to say that we are delighted with the way that Dr. Frank McField, who has just come into this place, has been able to scold people like the Third Elected Member for Bodden Town. *(Applause)*

I would like to thank all of my constituents. I would like to thank the people of this country, and all of my colleagues for what has happened here today. I would again like to say that I thank Almighty God, not for

returning John McLean, but for saving this country from the dangers it was exposed to. We must continue to keep the old ship Cayman on an even keel.

I know that I will be ridiculed, but, Mr. Speaker, no one is going to walk the floor and punch me the way they punched poor old Truman Bodden. So that must be understood. I will stand here on behalf of the people of the Cayman Islands, most especially, my beloved people of East End. That is exactly how it is going to be for the next four years.

As I said, you are new in the Chair. We are glad that you are there. We are saddened that Mrs. McLaughlin left, but the most we can say to you now is that we are going to support you in any way we can. I just ask all Members that when we return to these hallowed Chambers we put everything behind us and get on with what we were elected to do here. I do not know about the Opposition in this House, but I know that when I leave here today I have a pile of things on my desk to do which represents all areas of this country. I beg each one to let us bury the hatchet and put politics aside. The people have spoken. God be praised.

Thank you, Mr. Speaker.
(Applause)

The Speaker: Thank you.

May I remind members of the public gallery that we are in the Legislative Assembly which is in session. I ask that they desist from applauding as it is not Parliamentary.

The Honourable Truman Bodden.

Hon. Truman M. Bodden: Thank you, Mr. Speaker.

I would first like to thank God for His wisdom and guidance in these elections. It is with pride and humility that I take this seat in this Honourable House.

I welcome you as Speaker of this Honourable House. You are the first person from Cayman Brac and Little Cayman to hold this position, and also the first Elected Member of this Honourable House to hold this high position. I believe that the people of Cayman Brac and Little Cayman can be justly proud, as can all the people of these islands.

You have had a long and distinguished career as a Member of the Legislative Assembly, one who has championed the rights of your people in Cayman Brac and Little Cayman. You have an impeccable character, you are honest and capable, and I have no doubt that you will fulfill the duties of one of the highest official positions in this country as Speaker of this Honourable House in a good and proper way. I pledge to you my support for the smooth running of this Legislative Assembly and I shall assist in any way possible.

I would like to thank all of my supporters and my constituents in George Town who supported me in this election - all constituents generally, whether they supported me or not. Also all Members of this House for appointing me to the Executive Council. I assure them that I shall do my best and will not let them down.

I am saddened that Mrs. Berna Murphy and Dr. Steve Tomlinson and Mr. Tony Powell were not successful in the elections, but they have pride for having run a clean campaign. I shall miss my two colleagues from George Town, but they remain with the National Team and we will continue to have the benefit of their advice and help throughout the years.

I know my duty here, and that was clearly set out in our Manifesto when we stated that "...we accept that we are representatives of you the people." Therefore we will consult and follow the wishes of the majority of our constituents, including where necessary by referendum.

I intend to represent all of my people, Mr. Chairman, not just those... Mr. President, rather... I mean, Mr. Speaker. I am sorry, it has been a long day, and when you are my size and do not get any lunch.... I am sorry, Mr. Speaker, my duty is to represent all of my people, and I will do that. I intend to work with people of this Legislative Assembly, especially the independent, the Fourth Elected Member for George Town, whom I believe has well earned his seat.

I would also like to welcome the new Members to the House. I intend to continue to be fair and equitable to everyone, and to treat all Members of this House alike.

The past few months have been difficult. I have probably had more leveled at me than I even knew existed. I learned a lot of new things about myself in the rumours that went around. However, it is somewhat unfortunate that the House did begin with what I consider a misconception of what Opposition should be. Opposition in this House... and by the way, it could never be 'Her Majesty's Loyal Opposition,' because they sit in the Parliament of the United Kingdom. But the Opposition in this House, the two Members have started out in a way that has cost them and other Members who were with them seats in this House.

I do not intend to attempt to go into very much in relation to whatever Ministry I may be given, but what I would like to say is that I will do my duty with whatever Ministry I am assigned. It would have been better if at this beginning ceremony today that references to the bitterness by the two Opposition Members in talking about things like political violence and that sort of thing... this does not exist. It is like being in a fairy tale world sometimes when I listen to this. It does not help the country. This is what can destroy the country. That bitterness is what perhaps cost eight of the nine members of Team Cayman seats in this House. I say it has to be put aside.

I believe that I have taken, next to Mr. McLean, probably more abuse than anyone in this House, including physical violence (since we have referred to that). But life has to go on. While not commenting specifically on the matter raised by the Third Elected Member, but speaking generally, I would just like to point out that the political signs were erected in breach of the Planning Law. So they began on the wrong footing and were left up during election day in breach of the Elections Law. In Savannah, East End, Cayman Brac, signs were torn down. Graffiti was written on signs. Just

to point out that this happens in every election; why it has been made a specific case, obviously goes back to the bitterness.

I would like to thank my colleagues once again, especially the members of my committee, and the members and staff of my law firm for their loyalty, advice and support to me and to other members of the "A Team" during the campaign. I note that many of my committee members have been with me for over 20 years.

I thank Mr. Kearney Gomez and his efficient elections staff, especially Mr. Philip Barnes and his staff in George Town electoral stations, and to the Royal Cayman Islands Police for a well organised, peaceful election. I thank all branches of the news media, television, radio, press, who worked very hard and who kept the public fully informed on important matters.

Last, but most important, I would like to thank my two little daughters and my mother and family and friends for all their support and patience during the election campaign.

At this time I would like to thank and pay tribute to Mrs. Sybil McLaughlin, our first Speaker. She has been an outstanding Speaker, very knowledgeable in Parliamentary procedures. Her wisdom and guidance has been sought by MLAs throughout the past several decades. I believe that the Legislative Assembly and the Cayman Islands owe her a great debt of gratitude. I believe that as our only living National Hero, Mrs. Sybil will continue to be dear to Caymanians, especially MLAs who will continue to seek her advice on future Parliamentary problems.

The Honourable Sybil McLaughlin has given her reasons for not seeking this high office, and I think it is the duty of people in this country to accept and support them. She is our National Hero and over the next four years, if what we have seen today is an example, I believe that as National Hero she may have well been put in compromising positions. She has many other commitments and I accept her explanation on this and I wish her and her family all the best.

Our mandate from the people of the Cayman Islands to this House is clear. We have clearly set out in our Manifesto details of what policies we will bring in the next four years. The Committees have been appointed and I would also like to add that I look forward to working once again with the Clerk, the Deputy and all staff of the Legislative Assembly. I would also like to congratulate the Official Members for being back, and I once again pledge support to them as we go into Executive Council.

The new Executive Council has to operate for the good of the Cayman Islands, and must function as a team in a spirit of cooperation and trust. Its Members and the Members of this House must bear that trust. The present problems of the Cayman Islands are too large and critical to be dealt with with personal or petty bickering between Members of the Legislative Assembly or between Members of Council. I think we must all now get on with the job ahead of us, as speedily and reasonably as possible.

This hallowed Chamber often, unfortunately, takes the role of Members saying that they are not going to hit on other Members - then immediately after, getting up and doing just that. I think we should not be hypocritical, when making statements about our fellow Members, but should be honest. It is now our duty to pray for God's guidance in the coming years and for His determination of the future of our beloved Cayman Islands. God Bless the Cayman Islands and all of the people.

The Speaker: Thank you. The Honourable Thomas Jefferson.

Hon. Thomas C. Jefferson: Thank you, Mr. Speaker.

We, who today have taken the oath to serve the people of the Cayman Islands, have a tremendous task placed upon our shoulders, to lead the Cayman Islands into the 21st Century. We are known for political stability. We are one of the leading financial industries in the world, we are one of the premier warm weather tourism destinations, our economy is strong, the quality of life in this country is equal to almost any in the world. We have a responsibility to maintain that. I want to thank Almighty God for all of our being here today to take up that task.

I wish to thank the people of West Bay in particular for returning me to the Legislative Assembly. It is a special privilege to serve the people of one's district, and one that I hold very dearly to my heart.

The National Team has served this country well for four years. All of us, whether we wish to say it or not, realise that it is the only reason why the majority of this House are National Team members. We commit ourselves to continuing that good form of Government, caring for our people, consulting with our people, keeping our people briefed and ensuring that issues, such as dredging of the North Sound, do not become a monster around our necks. We have all said that we have no support for major dredging of the North Sound. I believe that I am old enough, big enough and loud enough to say that when the time comes.

I would like to remind all that this country did not come this far by division, or by the grabbing of power; but by people's willingness to serve this country, improving the quality of life, responding in a caring and neighbourly way. It is the cornerstone of this country. I believe that we need to reflect on these few words.

There is hardly a person who comes to the Cayman Islands who wishes to leave. The reason for that is the social harmony and quality of life which exists here. We need to hold on to what we have. Division does not get us anywhere.

There are many issues. Perhaps today is not the day to get into all of them - when we come to the Throne Speech, next year (God willing), that will be the proper time. But there are many issues about which we, as Members of the Legislative Assembly will have to put our heads together, put aside the differences and say this is a national issue and, in the best interest of all the people of the Cayman Islands, we will get it done.

I wish to again thank the constituents of West Bay, our supporters, our committee which was there for us always - every time we needed them, they were there. I do not want single out any particular individual, but they do know how I appreciate them.

I wish to also thank my family, my wife, my children, my mother, my brother and sisters and other relatives and friends for their encouragement and support. It is times like these when you find out who really are your true friends.

I wish to thank the Members who elected me to serve on Executive Council. I appreciate it very much. I give you my word that I am here to serve all of the people of the Cayman Islands as a Minister.

The Speaker: Thank you.

Honourable Members, I, too, would like to say a few words.

I am the first Elected Speaker who comes from the Elected Members of this House. I would like to thank Almighty God for the blessings He has bestowed upon me and this country. I ask for His continued blessing.

I would like to thank my family, my committee and all who supported me throughout the 16 years that I have served. I will be forever grateful to the people of Cayman Brac and Little Cayman for the support they have given me. I want to assure them that even though I am now the Speaker, I am still a representative of Cayman Brac and Little Cayman, and, with my colleague, Mrs. Julianna O'Connor-Connolly, will give you the representation you justly deserve.

Throughout the years Cayman Brac and Little Cayman have benefited in many ways. We hope that with a united front, with the two representatives working closely together that we will be able to perform well.

I want to congratulate the Members of Executive Council on their election, and my predecessor, Mrs. Sybil McLaughlin. She has been a life-long friend of mine. We go way back. She was my mentor. I thank her today for whatever knowledge and ability I have to hold this high office. When I came into this Legislative Assembly she was the Clerk. She graciously took me under her wing and taught me a lot about Standing Orders, and taught me where to locate additional information.

Mrs. McLaughlin has achieved just about everything that a lady can achieve in her life. Not only has she been an inspiration to me as a Member of the Legislative Assembly, as a very able Speaker, she has also been a great spiritual leader within this Chamber. I shall be forever grateful for that. I wish everything that is good for her. Earlier today I had the privilege of hugging her and saying thanks to her for all that she has done, not only for me, but for the Cayman Islands as a whole.

Mrs. McLaughlin, we wish you everything that is good, including a long life.

As we come to the conclusion of this, I want to thank the people in the gallery for their kind attention and for staying with us. This is an historic occasion and before I close I wish all Honourable Members and their

families, the Clerk, Mr. Cline, the staff in the Kitchen, all the people of the Cayman Islands, the very best for the Christmas season. We will not have the opportunity to meet with you prior to that, so I hope that it will be a very joyous, pleasant and peaceful Christmas for all.

A final announcement I would like to make before the adjournment, is that immediately following this there will be a group photograph taken on the steps. I ask that Members do not leave before that photograph is taken.

If there is no other business, I would like to...

The Honourable Third Official Member.

Hon. George A. McCarthy: I would like to take this opportunity to congratulate you as Speaker, and to pay tribute to Mrs. Sybil McLaughlin, MBE, JP, National Hero, for the excellent leadership she provided during her tenure as Speaker in this Honourable House.

I would also like to congratulate every Elected Member of this Legislative Assembly, those nominated to Executive Council and those on the Backbench, equally.

In my estimation, today should be regarded as a day of national reconciliation and healing as alluded to by most of the Elected Members who have spoken. This is a time when all differences and bias are set aside in order for us to unite to move forward, in order to secure what is best for the Cayman Islands. It is not new to Members when I say (as it says in the Bible) "A house divided against itself will not stand." That has been extended further to say, "United we stand, divided we fall."

The finances of the Government are very important. The job of Financial Secretary of these islands is not one that I take lightly. It must be recognised that when each and every Member can get up on a platform and express his views in terms of the state of the country's financial affairs, that I have to maintain an unbiased and objective position. I indicated much earlier that when the advanced warrant was being submitted for approval that detailed information will be provided as to the Government's projected financial position up to the end of 1996. The figures that we have on hand at this time, as prepared by the Treasury, sets out what obtains as at 31st October. I am sure that all Members of this House will be interested in that information.

It was mentioned that this is the biggest warrant for which approval has been sought. Naturally, it would have to be. If we look at trends, in 1992 the advance warrant for which approval was given was in excess of \$30 million. I think it was in the region of \$34 million. What has been proposed here today, in order to take a prudent approach, is that it be kept at one quarter of the provisions approved in the 1996 Estimates. That is to ensure that the budget is thoroughly examined by the Government and every Member of this House before final consent or approval is given.

It does not pre-empt that all of the requests that are made by controlling officers for 1997 will be allowed. It is also to be recognised that the warrant being sought today will be rolled up in the 1997 Budget. This is a

major consideration; it is not a question of the Government being given the authority to go off... and irrespective of the size of the bank balance at this time, not one dollar can be spent unless the appropriate approval is given. So, I think a distinction should be made regarding the question of Government's liquidity position, and the authority to spend money.

I mentioned also that provision was being sought to ensure that a grant be provided to the Monetary Authority. I can assure Members at this time that the Budget for 1997 will be much bigger than what it was previously. The reasons for that are: First, the Currency Board and the Financial Services Supervision Department are being rolled into a single unit, and secondly, the strength of the staff complement will be increased significantly.

Interestingly, I am now hooked up to the Internet. I am not a proficient user of that technology as yet, but what was interesting yesterday, when it was being demonstrated to me, was that practically every country in the region is now professing to be an international financial centre. Our laws have been copied, our practices emulated, and there are individuals out on fact-finding missions coming to the Cayman Islands, coming into my office and gleaning information. This is being compounded by the fact that we have representatives of major international corporations coming into my office, visiting the Inspector of Financial Services Supervision Department in order to glean information on the Cayman Islands; because all indications are that we are a very secure financial centre.

This we will have to continue to nurture. We will have to be very careful as to our approaches, and how we shape ourselves for the 21st Century. It is not a matter that we can take for granted any more.

Speaking of the Internet, when we talk about this world being a "global village," in the literal sense of the word it is. You can sit at a desk and see what is happening in Hong Kong, in Singapore, in Bermuda, the British Virgin Islands - all of the countries within this region, in Europe, Asia, wherever. All of these countries are putting out information about themselves.

As I mentioned earlier, we did not achieve this position by accident. As a result of that, we will have to take a proactive approach. This is what we have been doing. We introduced Mutual Fund Legislation back in 1993. To date, we have over 1200 funds registered as Cayman Islands Funds. We have funds being traded on major international stock exchanges. We felt that having done all of this, it naturally follows that rather than having all of these funds going off to register elsewhere, that they should be on a Cayman Islands Stock Exchange. I am thankful to Honourable Members for having given their support to the necessary funds. I trust that the approval processes required to ensure that the funding will be put in place for this activity to become operational will be allowed.

We are also rolling up our Monetary Authority. This is to ensure that the Cayman Islands not only says that it is a leading international financial centre, we want to be

able to tell everyone of questionable intent who would attempt to abuse the Cayman Islands to take their business elsewhere. We want business that is credible and genuine, reflecting economic substance.

All of these are factors which we have to take into consideration. To achieve this we must have the necessary competence by way of a regulatory regime to sift out dubious business and to also welcome what is credible to the Cayman Islands. This will not only help our position, but will ease our conscience knowing that we have done everything to ensure that we operate as a credible and well-established financial centre.

A final point I should make is that introducing the stock exchange will mean more work permits. This is a sore subject, but I take the view that every job created in Cayman is a job held in trust for Caymanians who are presently off at University at this time training. It will be necessary to employ the necessary expertise on a temporary basis; but whenever our people develop the competence to move into those positions so that we can continue to operate our financial industry with the degree of excellence desired, which every member of the Cayman Islands community would endorse, we have to make sure that those job opportunities are available.

We also know (and it is not a light subject) that this carries with it financial and social costs; financial from the point of view that we will have to expand the capacity of our infrastructure. Every additional person or family which comes into Cayman will translate into more teachers, more medical services capacity, the roads, everything. On the social side it impacts on the indigenous way of life. But I think that we will have to cultivate and streamline our policies to ensure that a balance is maintained. We cannot really throw up our hands and say that nothing should be done. We have the minds of 15 Elected Members in this Honourable House (which includes you, as Speaker), the three Official Members of Executive Council, the senior administration of Government, His Excellency the Governor, and all of the persons within the community who will critique the policies of the Government. This brings together what I would call a harmonised approach. No one person knows it all. I would not put myself forward to say that I am an expert on everything. I think that wise counsel is important because the Bible alludes to it and we should all take it.

We have to look very carefully at how we want the Cayman Islands to go into the 21st Century. At the end of the day what is important is that the good life, which I have enjoyed as a Caymanian, should continue for my children, and their children, and every child in the Cayman Islands - all future generations, regardless of how far into the future. I would not want for it to be put on record that "Once upon a time...". Therefore, we will have to put our minds together, pool our ideas and our resources to ensure that we secure the future of these islands.

Thank you, Mr. Speaker.

The Speaker: The Honourable Second Official Member.

Hon. Richard H. Coles: May I add my congratulations to you, sir, as Speaker of this Honourable House, and also give my best wishes to your predecessor, Mrs. Sybil McLaughlin. I would like to welcome back to the House those Elected Members who served here in the Legislative Assembly previously, and to give a special welcome to the three new Members.

I would like to congratulate those Elected Members who have been elected to Executive Council. I look forward to working with them and to participating in debate in this House which is fair, honest and stimulating.

Thank you, Mr. Speaker.

The Speaker: The Honourable First Official Member.

Hon. James M. Ryan: Thank you, Mr. Speaker.

I rise to congratulate you warmly, and to welcome you following your election to the high office of Speaker of the Legislative Assembly of the Cayman Islands.

In so doing, let me also offer my congratulations to the Member of North Side for being re-elected as Deputy Speaker. She has served in the Chair on past occasions in the absence of the Speaker, and she did an excellent job. I am certain that she will complement your role ably.

I would also like to congratulate the five Honourable Members who have been returned as Ministers of Executive Council. I pledge to them my continued support and I look forward to working with them in the times ahead.

I also congratulate all Members who have been returned to the Legislative Assembly. I welcome the new Members, especially the First Elected Member for Cayman Brac and Little Cayman.

Mr. Speaker, as a fellow Cayman Bracker, I am delighted at your appointment to the high office of Speaker. I am sure that I speak for all the people of the Sister Islands when I say that we are immensely proud to see you in this lofty position. Your wife and family here in the gallery and those listening by radio will be very proud of you, and rightly so. You have served with distinction as a master mariner, and I have no doubt that your years on the bridge of a ship will put you in good stead as Speaker of this House. I pledge my full support and cooperation to you.

Your Christian stand is strong, and for this I am very happy. I wish to thank the former Speaker of the Legislative Assembly for her distinguished service to this country in many capacities, but especially as Speaker. I wish for her continued good health and long life.

Finally, I would like to refer to the words of our Lord when he said, "Whoever shall be greatest among you must first be your servant." In other words, show humility. Your life has always reflected humility and today it is gratifying to know that you have been exhaled to this high office.

Again, my warmest congratulations and all the best as you serve in your new role. I thank you.

The Speaker: I would like to say to all Members how much I appreciate your having supported my appointment as Speaker of this House. I shall do everything in my power to uphold your trust, and I ask each and every one for his support.

I now move the adjournment of this House sine die.

AT 3.14 PM THE HOUSE STOOD ADJOURNED SINE DIE.